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**BIG NIGHT AT THE MOVIES**



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**DOES IT ALWAYS PAY TO HAVE A DEGREE?**

## Blair outrage at 40% pay rise for lottery chiefs

Jojo Moyes and Anthony Bevis

Tony Blair last night said he was outraged that top executives at Camelot, the National Lottery operator, had awarded themselves pay rises of nearly 40 per cent, despite a drop in contributions to good causes.

Camelot confirmed figures published in *Marketing Week* magazine which showed that total payments to 10 executives increased from £1.67m to £2.32m last year - despite money going to lottery causes falling by £143m.

In a rare snap reaction, the Prime Minister's office said last night: "If these reports are true, his reaction is the same as that of the millions of people who buy Lottery tickets up and down the country - one of outrage."

Sir George Russell, the chairman of Camelot, has been ordered to attend an urgent meeting with Chris Smith, the Secretary of State for National Heritage, to explain himself, against a looming threat that Camelot is riding for a heavy fall.

In its statement, No 10 said: "The Prime Minister attaches the highest priority to reform of the lottery. That is why there is a Bill in the first Queen's Speech. This is the people's lottery and the money raised from it should reflect the people's priorities."

Mr Smith said: "If these reports are true, I find the position completely unacceptable. I am determined to get more lottery money to good causes. The new Government is committed to seeking a non-profit lottery operator when the current licence expires."

Camelot's lottery "winners" included communications di-

rector David Rigg, who received a 40 per cent pay rise from £175,000 to £243,000. Chief executive Tim Holley received a 33 per cent pay rise, with his total package increasing from £385,000 to £509,000. This included a £17,000 rise in basic salary, a £4,000 increase in performance-related pay to £127,000, a 47 per cent rise in benefits in kind to £25,000 and a £176,000 payment through a long-term incentive plan.

The figures showed total sales of National Lottery tickets in the year to 31 March 1997 were £4.7bn, a drop of 10 per cent on 1996. Camelot's pre-tax profits showed a fall of 8.6 per cent to £70.8m.

The draft copy of unauthor-

ised year-end results, which have been confirmed by Camelot, said that bonuses paid up to 31 March 1997 were based on the previous year's results when sales were better. According to the magazine, Sir George blamed the decline in the company's profits on reduced sales of scratchcards.

A spokesman for Richard Branson, who competed for the lottery franchise, said that he would continue to press for all profits from the lottery to go to charity as it was a "licence to print money".

Camelot were, however, unable to award themselves any more than one penny in the pound under the terms of their contract, a spokesman for the Department of National Her-

itage pointed out. "What they do with that penny ... is obviously a matter for them."

Ofot, the lottery regulator, said the issue of profits was settled when Camelot won the right to run the lottery. A spokesman said that how Camelot dealt with their profits was "a matter for them. It was a competitive contract and they came up with the best deal for the good causes and they kept the least for themselves."

Camelot has earned more than £1m a week since the launch of the game in November 1994. Sales revenues are split with half of the proceeds going on prizes, 28 per cent going to the five good causes, 12 per cent to the Government, 5 per cent to retailers and the rest - about 5 per cent - to Camelot.

Camelot last night said the figures were high because they included the first part-payment of long-term bonuses. The scheme rewards executives if they hit performance targets and could reach 140 per cent of their base salary.

"They're all based on performance targets and based on returns to good causes and profit to Camelot," said spokeswoman Joanna Manning-Cooper.

"All payment to directors comes out of Camelot's costs and it doesn't mean less money to the government or the good causes. If they're not efficient, they don't get the bonus." Pay scales were set following consultation with external pay panels, she added.

The total payment to good causes was £1.27bn and £2.38bn was handed out in prizes, she said. Camelot profits were £46.8m after tax.

Lottery grant return, page 10

## Earth pelted by giant snowballs



Extra-terrestrial: An ice object crossing in space above the British Isles before evaporating

Photograph: Nasa

Charles Arthur Science Editor

The Earth is being bombarded by between five and 30 icy objects every minute - some of them the size of a small house, according to new satellite data from the United States space agency Nasa.

Astronomers insist that the objects pose no threat to people on Earth, or to astronauts in orbit, because friction with the atmosphere melts them and breaks them up between

15,000 and 600 miles above the planet. The Mir space station orbits about 190 miles up.

The time-lapse picture above shows 54 seconds in the life of an object about the size of a two-bedroom house which passed high over Britain on the night of 26 September last year, before breaking up more than 5,000 miles above earth.

But experts are mystified about the origins of the extra-terrestrial iceballs, some weighing more than 10 tonnes. They were discovered by Pro-

fessor Louis Frank, of the University of Iowa, who said yesterday: "This relatively gentle 'cosmic rain' - which possibly contains simple organic compounds - may well have nurtured the development of life on our planet."

Professor Frank's theory had been controversial since he first proposed it 11 years ago, and had been widely derided - but yesterday scientists at the spring meeting of the American Geophysical Union were forced to admit that he had been right.

"The results definitely demonstrate that there are objects entering the Earth's upper atmosphere that contain a lot of water," said Thomas Donahue, of the University of Michigan. "These certainly vindicate Lou Frank."

The objects were discovered by satellite cameras on board Nasa's Polar spacecraft. The cameras showed that the objects are not condensing within the atmosphere, but approach the Earth from beyond. Their source is still unknown.

## Bob Dylan in hospital after heart scare

David Lister Arts News Editor

Bob Dylan has been admitted to hospital suffering from severe chest pains and a disease as opaque as some of his lyrics. His management immediately cancelled his British tour, due to start next month.

The announcement from America is certain to cause alarm to two generations of fans around the world. Dylan celebrated his 56th birthday last week, but to his admirers he has, in the words of one of his most beautiful songs, stayed "forever young".

His famous "never-ending tour" which sees him performing constantly, allied to a mystique engendered by years of elliptical statements and a refusal to give interviews, has cast him as one of the few Shakes' legends who has embraced neither middle age nor middle of the road.

Dylan complained of chest pains after celebrating his birthday last Saturday and was admitted to hospital straight away. He was diagnosed as suffering from histoplasmosis, a relatively rare disease. An infection of the sac around the heart, it produces symptoms similar to tuberculosis.

Dylan is being treated in an undisclosed hospital in the United States and is likely to remain there for some time, his British spokesman said. His UK tour to Cork, Glasgow, Newcastle, London, Birmingham and Sheffield has been cancelled.

Dylan's agent, Barry Dickens, confirmed the singer had been admitted to hospital at the weekend. He added he was waiting to speak to doctors in Los Angeles to try to find out the condition of the singer.

"It was his birthday at the weekend and he complained of chest pains," Mr Dickens said. "He went to hospital where he was admitted for treatment. In the 10 years I have represented him he has never complained about chest pains once."

"The infection is potentially fatal. He will remain at the hospital until his condition is stable and he has improved."

Though described by Mr Dickens as "potentially fatal", the disease affecting Dylan is an obscure one whose effects are clearly variable.

A British specialist in the field said last night that the condition was rarely fatal but could be serious, tending to affect primarily the lungs.

## Kohl's fall-out with bank poses new threat to EMU

Diane Coyle Economics Editor

A massive and unprecedented public row broke out yesterday between the Bundesbank and the German government when the central bank rejected the government's plans to revalue its gold reserves and take some of the profit.

The plans were devised as a means of allowing Germany to meet the criteria for economic and monetary union, and the Bundesbank statement, combined with polling so far in the French elections, where President Chirac has already sacrificed his Prime Minister in an attempt to keep France on track for Emu, is a massive blow to the prospects for Emu starting on time.

In a statement the Bundesbank criticised the German government's plan in extraordinary forthright language, saying it threatened its cherished independence. "This sounds like a nuclear explosion in Bundesbank terms," said one banker.

The Bundesbank's refusal to sanction the idea of revaluing its gold, which was born of the government's desperation to ensure it cuts its borrowing enough to qualify for the single currency, puts a question mark over how the country will meet the requirements on time. Without Germany in the first wave, the entire European Monetary Union project would crumble. The European Commission last night refused to comment on the developments in Germany. An official said, "It is premature for a reaction from the Commission". Across the Continent, voters increasingly blame the rush to qualify for the single currency for high levels of unemployment.

Otto Issing, the Bundesbank's chief economist, yesterday criticised Chancellor

Kohl's government for turning to creative accounting in order to be sure of qualifying for the single currency. "This is even more creative than steps taken in other countries," he said.

Mr Kohl responded immediately, saying the plan to revalue the gold would go ahead despite the central bank's objections. The final decision will rest with parliament.

The Bundesbank was forced to deny rumours that its president, Hans Tietmeyer, had resigned in protest.

The row, which emerged only after the

**'This sounds like a nuclear explosion in Bundesbank terms'**

financial markets closed yesterday, will send the German currency and bonds plunging when they re-open.

The Bundesbank's statement said the plan "goes against German tradition as well as the intentions of the Maastricht Treaty governing central bank independence". With unemployment in Germany at record levels, the general public is likely to place more trust in the Bundesbank, the incredibly successful guardian of the Deutschmark, than in its politicians.

Two weeks ago, Germany's finance minister, Theo Waigel, announced the plan to

revalue the Bundesbank gold to help get the public finances into shape for the single currency. The extra profits would be used to reduce the government's debt.

Germany's chances of meeting the Maastricht targets for government deficit and debt levels have become increasingly uncertain. Borrowing is running at uncomfortably high levels, in large part because of recession and unemployment, and the government has run into severe political difficulties in trying to raise taxes enough to reduce it.

The limit on borrowing for countries to qualify to join the single currency is 3 per cent of GDP, and the limit on debt is 60 per cent of GDP. The only economic forecasts that show Germany meeting the targets have been those issued by the EC, dismissed as politically motivated by most economists.

Thomas Mayer, an economist at Goldman Sachs in Frankfurt, said: "Following this advice, the government will have a tough time to proceed with this plan."

Hermann Remsperger of BHF Bank in Frankfurt said: "It would be very damaging for the Bundesbank, Bonn and Germany as a whole to force the Bundesbank to make these payouts."

Even if they are forced on an unwilling Bundesbank there will be a further hurdle. An EU statistics committee will also scrutinise the plan to see whether the rules would allow it to be counted for the purposes of meeting the Maastricht limits.

However, the German government may still find it more appealing than the alternative, which is introducing additional tax increases this summer if it wants to be sure of qualifying for the single currency on time.

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### Defence review

The Government set out plans for what could be the most fundamental review of defence and foreign policy since the withdrawal of British forces from east of Suez in 1966.

### Channel 5 slips

Cracks are appearing in Channel 5's two-month-old launch strategy as the broadcaster struggles with half its target ratings and a fall in forecast advertising earnings for its first year.

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## news

## significant shorts

## Police sound alarm over crime on the Internet

Terrorist organisations and top criminals are starting to use the Internet to send secret messages and carry out fraud and counterfeiting, according to a new police study.

The 10-month study by the National Criminal Intelligence Service (NCIS) uncovered evidence of growing involvement of environmental extremists, and European terrorists – particularly Fascist groups – who were found to use the system to send out messages and information about potential targets. To counter the threat, police are to recommend setting up Britain's first national Internet squad and a review of existing laws to allow detectives to intercept electronic messages.

Dr Neil Barrett, an expert on computer hacking and "information warfare", speaking yesterday at a conference into Internet crime, predicted that organisations such as the IRA and Animal Liberation Front would soon take advantage of the technology. "It's such an obvious and logical next step, it's something we anticipate," he said. He added that terrorists of the future might use computer viruses to cripple emergency and public service rather than bombs.

Computer hackers broke into Universal Pictures' "Lost World: Jurassic Park" web site on the Internet yesterday, replacing the ferocious T Rex logo with a silhouette of a plastic duck typically found in a baby's bath, writes Charles Arthur. Hacking high-profile web pages is a popular pastime among those with the necessary skills. Prior to the election, the Labour Party pages were altered externally, and before that the Central Intelligence Agency was reamed the "Central Stupidity Agency".

## Shooters given gun deadline

Gun owners will have to turn over an estimated 160,000 revolvers to the police by 1 October as part of the crackdown on firearms, it was announced yesterday.

A date has yet to be set for the removal of the remaining 40,000 guns of .22 calibre and below, although the Government hopes to rush through legislation so that they can be handed over at the same time as the more powerful firearms. Weapons will be collected from 1 July and must be surrendered by 1 October, when the ownership of weapons above .22 calibre will become illegal. Compensation is estimated at £150m.

## Cantona makes patent his goal



Former Manchester United star Eric Cantona has applied to register his name and the phrases "Ooh Aah Cantona" and "Cantona 7" as commercial trademarks, the patent office disclosed yesterday. If the applications are successful, Cantona (left), who retired from football earlier this month, will be able to prevent anyone else selling clothing, magazines or posters featuring his name. He has also applied for a European Community trademark which, if successful, means that his name will be

copyright in the 15 member states of the EU. The UK applications cover mainly clothing and stationery, but the European trademark would cover films, videos, teatowels and even soft drinks.

## Woman in motorway coach drama

A woman passenger prevented a motorway disaster by grabbing the controls of a coach carrying 40 people when the driver collapsed and died. Eva Dobson, 39, a mother of three from Hetton-le-Hole, near Sunderland, was returning from a Bank Holiday trip to Blackpool when the driver suffered a heart attack on the M6 at Holme Park, north of Preston. As he fell over sideways, Ms Dobson, who was sitting at the front, grabbed the wheel and held the coach steady while slipping into the driver's seat and bringing the vehicle to a halt on the central reservation.

## Whitehall jobs warning

Michael Bett, the independent civil service commissioner, said yesterday that the principle of fair and open competition for Whitehall jobs would be compromised if "hordes" of new special adviser and press officer positions were created by the new government. But he added that he had been consulted over the Order in Council approving the creation of political posts paid for out of public funds at No 10 Downing Street, including those of Jonathan Powell, the Prime Minister's principal private secretary, and press secretary Alastair Campbell. Sir Michael added, however, that he would be concerned if Britain became more like the United States where the entire top layer of official jobs are replaced when administrations change.

## Bitter blow for road-rage driver

The beer expert Roger Protz was ordered to pay more than £1,100 in fines, costs and compensation yesterday over a road-rage row with another motorist.

Protz, editor of the Campaign for Real Ale's publication *What's Brewing*, kicked the door of another driver's car after accusing him of endangering the lives of his children. St Albans magistrates were told. The furious 58-year-old freelance journalist caused £380 damage to Malcolm Davies's Vauxhall Vectra during an angry confrontation which stopped rush-hour traffic in the city. He denied causing criminal damage.

## people



Linda Finch touched down yesterday in the slipstream of Amelia Earhart, below

## After 60 years Amelia's flight is complete

Linda Finch, a Texan businesswoman, has completed the round-the-world flight which sixty years ago cost the life of the flying pioneer, Amelia Earhart.

The 46-year-old mother of three, who made a fortune in the nursing home business, touched down in Oakland, California, in a restored twin-engine Lockheed 10 E Electra, the same model that Earhart was flying.

"I'll see you soon," Finch promised well-wishers in a broadcast carried over the radio on the public address system shortly before she landed.

She left Oakland on 17 March and in two and a half months of flying covered 26,000 miles, stopping in 18 countries as she circumnavigated the world along the equator.

The last flight along her route was regarded as the most difficult – a 2,400 mile journey from Honolulu to the West Coast. Facing strong head winds, the aircraft was laden with extra fuel for the 15-hour flight.

Finch was resting yesterday before a press conference and scheduled call from President Clinton.

Earhart sent her last radio message on 2 July 1937, tragically trying to find her bearings as she approached Howland Island in the central Pacific.



Despite searches for Earhart's last resting place, neither her remains, nor those of her plane were ever found. A week ago, Finch dropped silk wreaths near the island to honour Earhart and her navigator, Fred Noonan. The trip was sponsored by the Pratt and Whitney, who made the engines for the original aircraft. Finch avoided several African countries on Earhart's route because of political instability, and could not herself land at Howland Island because it no longer has an airport. "My strongest thought is that I'm so close to home. Amelia must have been so disappointed, she got so close," she said, before leaving Honolulu.

In speeches in Africa, Asia, Australia and South America, she has stressed that Earhart was living a dream. She believed "that people should not live within limits that were set by society or the many kinds of limits we set for ourselves," Finch said.

Tim Cornwell, Los Angeles

## Drug smuggler must go directly to British jail

For Sandra Gregory, the prospect of six years in a British prison cell is cause for celebration. Gregory, a convicted heroin smuggler who has spent four years in the notorious jail known as the Bangkok Hilton, will fly home next week to complete her sentence in Britain.

The authorities in Thailand agreed to let her return under the terms of an agreement with Britain that allows for the transfer of prisoners on compassionate grounds.

Gregory, 31, a former teacher, from Sowerby Bridge, West Yorkshire, is expected in England at the end of next week, when she will be taken initially to Holloway Prison, north London, to be assessed.

She is likely to request a transfer to a jail in the North in order to be nearer to family and friends.

Gregory, who will be accompanied by three male British prisoners, was given a 25-year sentence for attempting to export heroin. That was reduced by three years under an amnesty to mark the Thai king's golden jubilee. Under British law, she will be eligible for parole in six years.

Gregory was arrested at Bangkok airport with a companion, Robert Lock, as they were about to board a flight to Japan in



February 1993. She was found in possession of three ounces of heroin and pleaded guilty, but claimed that Lock had paid her to smuggle the drugs out of Thailand. He has since been acquitted. In Klong Prem jail in Bangkok, she has endured filthy and overcrowded conditions, poor diet and infections of head lice.

Jackie Cox, a friend who has campaigned for her release, said yesterday: "We are absolutely delighted that we have at last reached the time when Sandra is coming home. She still has a long way to go before she is free, but a recent letter from her shows how much coming back to England means to her."

Kathy Marks

## Bad feng-shui deters Tung

Feng-shui, the traditional Chinese belief in reconciling man with his environment, appears to have won the day. Yesterday, Tung Chee-hwa, Hong Kong's first Chief Executive, announced that he would not be taking up residence in Government House, a place he has described as having "bad feng-shui".

In so doing he is breaking with the colonial past which has seen Government House serve as both the Governor's residence and office. The present incumbent, Chris Patten, says he likes it a lot because it has enabled him to see more of his family than at any other time in his political career.

Mr Tung, a former shipping tycoon, has no need of government housing and will remain in his luxurious apartment and get the government to lease the adjoining flat to provide even more space. He also owns a compound near the sea where he can retire at weekends if he does not wish to avail himself of the Governor's second residence at Fanling, near the Chinese border.

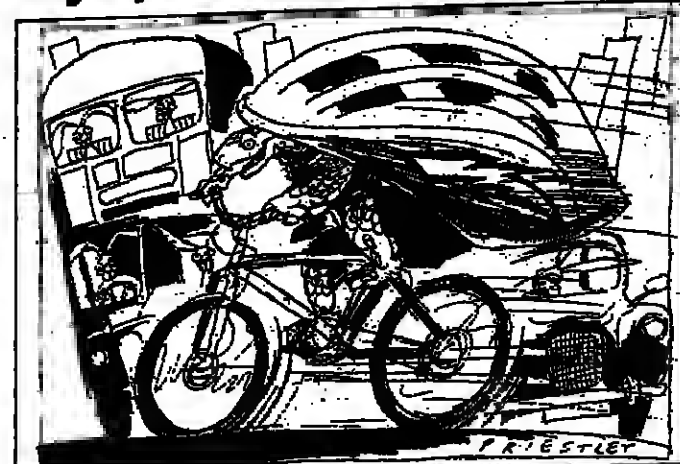
Government House, now overshadowed by the Bank of China building, which is supposed to give off bad feng shui with its sharp angles pointing like daggers, will become a guesthouse for VIPs and a location for official functions, and possibly a museum.

Stephen Vines

## briefing

## TRANSPORT

## On your bike: capital survey says pedal power is quickest



People wanting to get about London quickly should get a bike, a government survey out yesterday revealed.

Statistics from the Department of Transport showed the fastest journeys in and around the capital are those made by bicycle. Worsening congestion has seen short trips of about five miles from inner London to the centre of the capital in 1996 took an average of 34 minutes by bicycle against 45 minutes by car, 45 minutes by rail and 64 minutes by bus.

Journeys of about 2.5 miles in central London were also best tackled with a bike. Those cycling took an average 18 minutes for such trips, while those in cars took 33 minutes, those on trains took 31 minutes and bus passengers took 38 minutes.

And things can only get worse, unless measures are introduced to restrain traffic. The survey showed that for all journeys except those made by bicycle, trips were slower on average in 1996 than they were in 1993. Car journey times rose by between 13% and 18% from 1993 to 1996.

Randeep Ramesh

## INDUSTRY

## Workers break from the 9 to 5

The nine-to-five job is history, thanks to a quiet revolution which has led more than half of employees to work variable hours, according to a report today.

Traditional Monday-to-Friday working is still common, but now it is often nine-to-five "in name only", research by the Policy Studies Institute has found.

The proportion of employees accepting longer shifts rose from 30 per cent in 1984 to 56 per cent a decade later. Often the extra hours are unpaid, but may be matched by management flexibility in allowing workers to leave early occasionally when work allows.

Other forms of flexible labour, such as the use of short-term contracts, have also increased – but much less dramatically. The report, *Employers' Use of Flexible Labour*, was commissioned by Hilary Metcalf and Neil Millward, was commissioned by the Department for Education and Employment. It involved analysis of the Labour Force Survey, Workplace Industrial Relations Survey and case studies in 24 workplaces.

## ENVIRONMENT

## Ports put birds to flight

Britain's ports were urged yesterday to adopt new working practices to reduce the threat to hundreds of thousands of wading birds which feed on nearby mudflats.

At least 77 ports, including London, Southampton and Liverpool, are robbing coastal wildlife of vital feeding grounds. Each year almost two million waders, such as knot, dunlin and bar-tailed godwit, descend on Britain to feed, rest and shelter.

The Royal Society for the Protection of Birds argues in a report that rather than encroaching on habitats, ports should make more use of new freight-handling technology to boost throughput, co-operate to avoid duplication of facilities, and use smaller ships and canals to reduce transshipment.

Port Development and Nature Conservation, available from the RSPB, The Lodge, Sandy, Beds. SG19 2DL, £20 plus £2.50 p&p

## HEALTH

## Air pollution link to lung cancer

Air pollution and lung cancer incidence are strongly linked, according to Italian researchers who used lichen as biological monitoring stations. They studied the Veneto region of north-eastern Italy, home to four million people, and compared the effect of pollution on lichen biodiversity with mortality data. Lichens are sensitive to pollutants, which limit their growth and diversity. Pier Luigi Nimis and colleagues from the universities of Milan and Trieste drew a map showing the areas of highest pollution, and cross-referenced it with disease statistics. In a letter today in the science journal *Nature*, they note that this showed a clear link between pollution levels and the incidence of cancer in young men.

The results disclosed no pattern linking air pollution to other cancers or with lung cancer in women. But lichen biodiversity and lung cancer in men aged under 55 was "highly correlated".

The study was based on 2,425 measurements of biodiversity – the frequency of different species – at 662 points. Charles Arthur

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# Father tells of killer who took 'angel'

Matthew Brace

England must have seemed a haven of peace and safety to Tracie Konev who fled his native Macedonia in the war-torn Balkans four years ago. But last Thursday afternoon his dreams were shattered when his 12-year-old daughter Katerina was strangled at the family home in west London.

Yesterday, Mr Konev gave an emotional press conference, describing the moment he came face to face with the intruder who is believed to have killed his "angel" Katerina.

Mr Konev, a 41-year-old English student, told how he put his daughter on a bus to school in the morning. "It was just a usual morning. She just smiled. When you saw her face, she told you everything. You don't need to listen to words from an angel," he said.

That afternoon Mr Konev got home to find the outer door of his flat open but the door to the living room jammed shut.

At first he thought Katerina was playing games but became increasingly alarmed when he could not open the door. Looking through the

keyhole, he saw her schoolbag on the sofa and a man's black shoes. Mr Konev ran back into the street and met the intruder face-to-face as he leapt from the window.

In broken English, he said: "He was crouched down, he was going to stand up. I saw him face on face, face on face. I said: 'What are you doing here?' He was just so calm, so cool, I can't believe."

"His eyes they didn't move, he was just looking at me, then he ran off down the street."

Mr Konev and his 31-year-old wife Zakalina, also a student, wept as they

faced the press. He said the suspect, who was of Mediterranean or Eastern European appearance, had a splash of blood on his face. He chased him down the street and grabbed him but the man produced a knife, escaping on foot.

It was only when he returned to his flat that Mr Konev discovered his daughter lying injured. Katerina was later pronounced dead at hospital.

Mr Konev described how proud he and his wife were of her. "She was the best. At everything she was the best - at maths, music, at sport, she

was perfect. She worked so hard. With friends she was so kind. All her friends loved her."

"She was just like an angel. She liked all people, doesn't matter where they were from. For her, the world was there to love," said Mr Konev.

Mr Konev appealed to the public to help catch his daughter's killer, warning that he was very dangerous and might kill again. "This is not a man, it can't be a man, it's a monster without feelings."

"In look in my face like that and be so cool, that's not a man. Animals

don't kill like that, without reason. It's something I can't explain."

The detective leading the murder inquiry, Detective Superintendent Ken Woodward, said there was still no clear motive for the attack on the young girl.

There was no sign of a forced entry to the flat nor did anything appear to have been stolen. Nor did there appear to have been a sexual assault. Det Supt Woodward said: "We don't know why it happened."

Police issued a likeness of the suspect on Tuesday as well as a blurred closed-circuit television picture. The

man they are looking for was described as between 45 and 50, around 5ft-5in tall and stockily built. He was balding, but still had dark hair, beginning to grey. He wore a light coloured jacket, an open-necked shirt, dark trousers and dark shoes. He carried a black canvas-type bag.

Mr Konev appealed to the public: "At the first chance, tell the police, inform the police, tell somebody. We don't know how many children he could kill if we don't catch him." Anyone with information should contact the murder incident room on 0181 246 0731.

## Have we had our fill of eating with Conran?

Kim Sengupta

Has Sir Terence Conran's culinary cultural revolution finally gone that sun-dried tomato too far? The backlash against his empire of gastrotomes straddling the restaurant world may have begun.

It came from Fay Maschler, the long-standing food critic of the London Evening Standard. And it has drawn strong reactions in the newly lucrative world of food, where the best chefs and managers command the kind of adulation normally accorded to the better international football stars.

Ms Maschler's view was trenchant. We are being Conran-ed. In a review of Sir Terence's latest venture, the Bluebird food market and restaurant on the King's Road in Chelsea, south-west London, she wrote: "By definition, the sweet, cosy idea of the restaurant as an intimate place where patron or patroness fusses over customers, many of whom he or she knows by name, goes right out of the window... what is put in its place is noisy anonymity; an atmosphere which could be said to foster a kind of egalitarianism where style equals content... it is eating brought out of the boudoir, the private retreat, into the marketplace."

Yesterday Ms Maschler was unrepentant. She said: "We have now reached a situation where Terence Conran, because he is so big, can buy up all the best chefs, perhaps from smaller restaurants who have nurtured them. Yet despite that he fails to maintain the quality of the food. If he is going to be mass producer like Marks & Spencers then he ought to have the same kind of quality control."

"The prices are expensive and the whole experience is one of impersonality. I am not sure people go there really for the food, but for the novelty value. They are not really regular restaurant-goers, some might say



Venturing forth: Sir Terence Conran (Photograph: David Rose) and his burgeoning restaurant empire has come in for criticism. His latest addition is the Bluebird Restaurant in Chelsea. Photograph: Philip Meech

they are the tunnel-and-bridge crowd from outside London, and it is a shame they may not be sampling other restaurants."

"I can see a South Sea bubble situation, the whole thing coming to grief, because there really is not an awful lot of substance. I do think there is a need to go back to restaurants which are not like factories."

In addition to the Bluebird, Sir Terence owns Quaglino's, Mezzo, Mezzanine in the West End and Soho area and four restaurants in Butler's Wharf, near Tower Bridge: Le Pont de la Tour, the Cantina, the Chop House, and the Blueprint Café. In addition, he is part owner of Bibbendum. Coming soon are the Zinc Bar & Grill, the Sartoria, and The Orrey, all in prime sites in the capital. He is also involved in The Great Eastern Hotel, which will open in late 1999. Conran Restaurants say they cater for between 30,000 to 40,000 customers a week.

The man whose steady climb to fame started with the Habitat fur-

niture chain is looking at broader horizons. In future we may experience more of the Conran effect in other fields. He is believed to be discussing a role with the Government which would allow him to work with various departments, including Trade and Industry and National Heritage, emphasising the importance of good design.

But in the meantime Simon Willis, one of Sir Terence's aides, said the restaurant staff are hurt by Ms Maschler's criticism. And the success of the restaurants show the public do not share her point of view. "We believe the criticism was very unfair, what she said simply is not reflected in the feedback we get from customers. I know that people at Conran restaurants are rather distressed," he said.

Luminaries of the restaurant world are divided. Michel Roux at Le Gavroche, one of only three restaurants in London to hold two Michelin stars, said: "I think Terence Conran should be congratulated. He

has changed the whole image of restaurants in London. I think it has introduced a lot of people to eating out, and that must be good for everyone."

"There is a place for both very big places like Sir Terence's as well as smaller, more intimate places. It really depends on your mood, and the kind of dining companions you have. I think Fay Maschler is wrong in her views. I know she is quite powerful, but I read her pieces with amusement."

Gordon Ramsay, fellow two Michelin star holder at Aubergine, was even more forthright. He said: "Fay Maschler is harsh and vindictive in her views. She knows very little, and she tries to be clever at the expense of others. Her reviews can be extremely damaging to small restaurants which are struggling to set up, she can shut them down."

"What Terence Conran has done is wonderful. He has introduced a new kind of cuisine. People are now getting in London, the kind of food

they would have had to go to the Continent to eat before. I find it very exciting. Fay Maschler's attack is personal. And if we are going to be personal, can anyone tell me why does this woman insist on having a 25-year-old photo in the top of her column?"

But Anthony Worrall-Thompson, lately of delUgo and about to open a new restaurant in west London, agreed with much of Ms Maschler's critique. He said: "It is a very successful formula, but one of his restaurants is much like the other. They are not for me, I am afraid I like customers to be treated like people, not not faceless numbers. I don't think he is adding to the number of people sampling the restaurant scene. Most of his customers are tourists and from outside London."

"If there is a recession I can see the whole thing collapsing. This kind of cattle process, where people sitting down at 7 pm must leave their tables by 9.30 is not the way to build up a faithful clientele."

The note of caution is echoed by Sir Terence's brother-in-law, Antonio Carluccio, of the Neal Street Restaurant. "He is a wonderful man, and he is doing great things. But he is also going very fast, and growing very big. I only hope he is all right in the future."

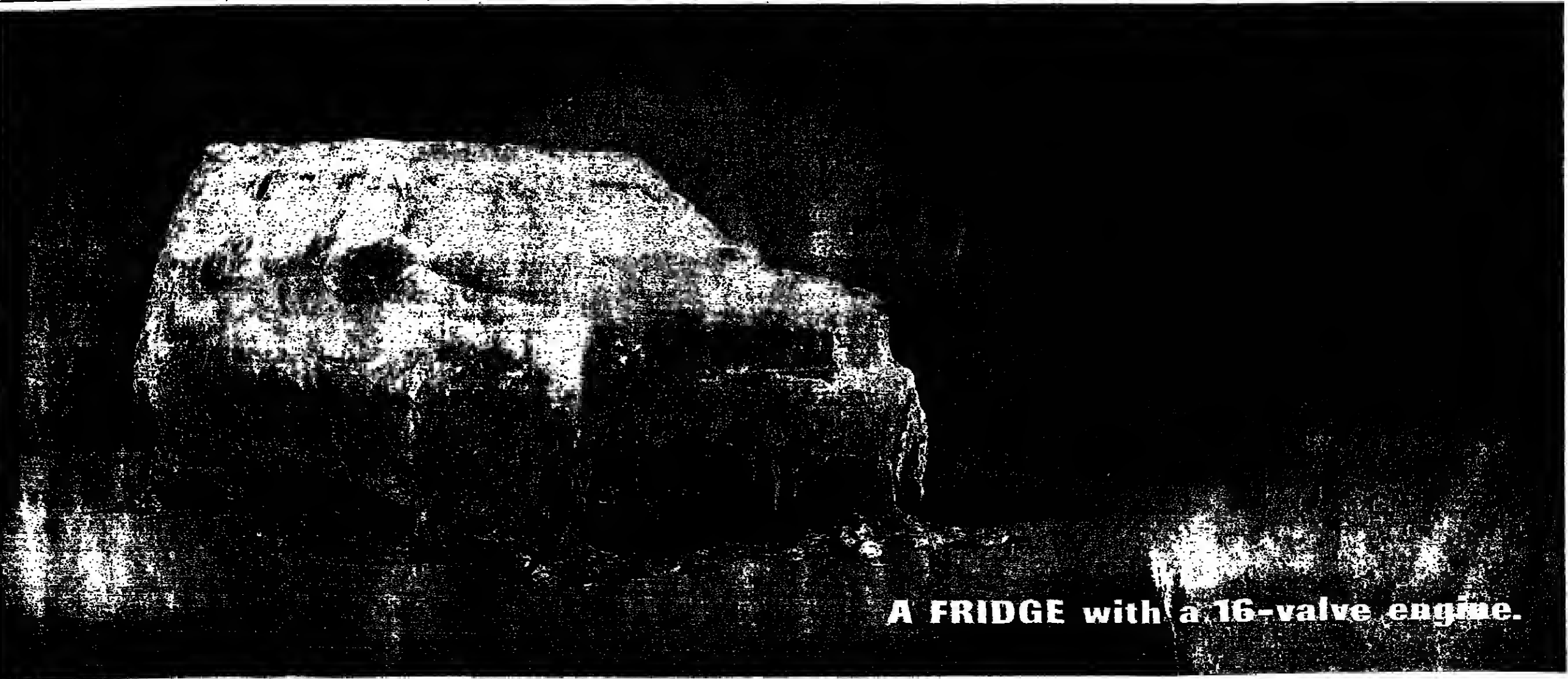
"My philosophy is summed up in an Italian saying: 'good wine comes in small bottles'."

Outside the Bluebird yesterday most of the customers seemed satisfied. Richard Armstrong, 45, an architect, said: "It's a fun place. The food is good and it is not too expensive for this part of town. The decor I thought was magnificent, it's certainly worth coming to."

Tommy and Linda Di Canova, from St Petersburg, in Florida were also impressed. Mrs Di Canova said: "It's a kind of stylish place, the kind you expect to see in a sophisticated city like London. We would be proud to have something like this in Florida."



But Julia Harris, 29, from Pimlico, south-west London, was qualified in her enthusiasm. "It's the kind of restaurants you can take in small measures. It's very good for large parties, but not a place to bring someone you want to seduce."



A FRIDGE with a 16-valve engine.

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Breathing space: An eviction team member climbing down to protester Liz, who was at the bottom of a shaft and had been given an air mask Photograph: Eric Graham

## In a muddy tunnel, encased in concrete, a girl called Liz tries to halt the inevitable

Michael Streeter

Inch by inch, the defiant vigil of a runway protester was coming to an end last night as bailiffs tried to remove her from an 8ft-deep hole. The bespectacled young woman, Liz, an artist, had a plastic ooze around her neck cut free, and officials were later trying to hack through similar ties attaching her arms and legs to concrete supports.

At one point, officials at the site of the proposed second Manchester Airport runway gave her a shot of air with an oxygen mask, while a doctor monitored her medical condition.

Beneath Liz, and behind the entrance to the rest of the 70ft tunnel – called the Worm – was her partner, Martin, and two other male protesters.

A fellow protester said Liz was a veteran of similar demonstrations at Newbury in Berkshire. He said: "She is a determined protester... She will do all she can peacefully to hinder the bailiffs."

A spokesman for the under-sheriff of Cheshire, Randal Hibbert, said yesterday: "We expect to get her out later this evening."

After a meeting yesterday, the under-sheriff agreed that the remaining pro-

testers – around 80 at the Sir Cliff Richard, Flywood and River Kats camps – could receive food and water every other day in a eviction likely to last up to two more weeks. Nine arrests for obstruction were made yesterday.

The Police Complaints Authority confirmed yesterday that it would supervise an investigation into two claims that police used excessive force during the start of the evictions last week. One man claimed he suffered a fractured rib and cuts in an assault by police.

Meanwhile, a separate group of demonstrators, the Sea Sabs, said they would sue the under-sheriff and individual officials over claims that one of their group was assaulted at the site. They say the incident occurred when they attempted to get into the site early on Tuesday to take batteries, films and food to protesters and to visit the River Bollin.

Ooe Sah told *The Independent*: "We are a non-violent group and we now want to show that enough is enough. We had a legal as well as a moral right to be on the river."

A spokesman for the under-sheriff said he was unaware of the allegations and unable to comment.

Letters, page 19

## Straw to abandon Tory asylum laws

Jason Bennetto  
Crime Correspondent

Tough immigration laws that effectively bar asylum-seekers from seven countries and legislation to force employers to vet all new workers are to be abandoned by the Government.

The Home Office is currently reviewing all asylum procedures and Jack Straw, the Home Secretary, is expected to announce shortly the decision to overturn the two new measures.

He will scrap the so-called "white list" of countries whose citizens are regarded as facing no serious risk of persecution and who are unlikely to deserve protection in Britain.

Under the Asylum and Immigration Act the applications from thousands of would-be refugees from the seven countries – India, Pakistan, Ghana, Bulgaria, Cyprus, Poland and Romania – are presumed to be unsound unless proved otherwise.

Their rights of appeal are also

severely restricted with the introduction of a new fast-track system. The move, which came into force in October, was fiercely opposed by refugee groups who accused the Conservatives of "playing the race card".

The number of all cases refused asylum increased by 10,400 to 31,700 in 1996 compared with the previous year.

In a second development, the Government will not enforce new rules to compel employers to check passports or identity documents of people applying for jobs in an attempt to crack down on illegal immigrants obtaining work.

Under the provision in the new Act, which was passed in January, two million people a year were expected to be checked.

It is a criminal offence to employ an illegal immigrant, with employers facing a fine of up to £5,000.

The burden of policing the system will cost industry an es-

timated £25m to set up, with an annual bill of £11.4m.

Labour believes that the system will deter many employers from giving jobs to ethnic minorities and could easily be side-stepped with the use of fake ID papers. The Government is, however, examining the greater use of birth certificates when checks are needed.

A Home Office source said: "We are opposed to the use of the 'white list'."

"On the employment checks there were problems about how it would affect the employment of people from ethnic minorities."

He added: "We are adamant we want a system that is firm and fast and that deals with everyone fairly. This is why we are looking at the whole issue of asylum procedures."

These are the latest immigration laws brought in by the Tories to be repealed by the new Government. They follow the decision to end the "primary purpose" immigration rule un-

der which a person who wanted to marry a British citizen was refused entry to this country if an immigration officer believed the main reason for their union was to settle in the UK. About 2,000 immigration cases were refused a year because of this rule.

Claude Moraes, director of Joint Council for the Welfare of Immigrants, welcomed the scrapping of the provisions. He said: "These changes are of fundamental importance. The 'white list' was dangerous and inflexible. The vetting of employees introduced for the first time internal immigration controls backed by criminal sanctions."

But Michael Howard, the former Home Secretary, condemned the change of policy on immigration.

He said: "One of the most important reasons for our good race relations in this country is that we have firm control of immigration. Firm control of immigration and good race relations go hand-in-hand."

## Transplant doctors 'altered story'



Michelle Paul: Died after taking half an ecstasy tablet

Consultants at the top of the medical profession were yesterday accused of changing their story over why a 15-year-old girl had been denied a liver transplant after taking ecstasy.

David Burnside, lawyer for Michelle Paul's family, claimed doctors at the Scottish Liver Transplant Unit in Edinburgh had decided not to operate on her for moral reasons.

But they had shifted their position in evidence given to the inquiry into Michelle's death because they realised the public would not accept that such decisions could be made on non-medical grounds, he said.

Mr Burnside's allegations came during his final submission to Sheriff Graeme Warner on the eighth and final day of a fatal accident inquiry at Aberdeen Sheriff Court.

However, Norma Shippin,

for the Edinburgh Royal Infirmary NHS Trust, rejected Mr Burnside's assertion that the transplant team had retrospectively realigned its position.

Michelle died at the liver unit in November 1995, two weeks after taking half a tablet of ecstasy at a rave near her home in Aberdeen. She had been transferred to the unit from Aberdeen Royal Infirmary. Her death was one of the first recorded cases resulting from ecstasy-induced liver failure.

In his submission, the Procurator-fiscal, Alf Vannet, said he was sure the inquiry had expressed the "awful potential danger" of experimenting with drugs such as ecstasy.

Michelle's mother Carolann, 37, speaking outside the court, said she hoped the inquiry would prevent a similar tragedy happening to another child. "I

am impressed by the way the whole thing has been handled and the consideration given to looking into all the different aspects," she said.

"I would hope something positive will come out of it – to stop something like this happening to someone else's child. It has been a really traumatic experience, but I do appreciate all the time and effort that has gone into it."

Mrs Paul, who has attended every sitting of the inquiry, said she thought some lessons had already been learnt from Michelle's death and that more could be learnt. Family members said they wished to reserve further comment until Sheriff Warner had published his written determination, which he said at the close of proceedings would not be until late July or early August.

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## news

## Britain's role in the world 1

# Biggest defence review for decades

Christopher Bellamy  
Defence Correspondent

The Government yesterday set out its plans for what could be the most fundamental review of defence and foreign policy since Denis Healey withdrew British forces from east of Suez in 1966. The review, *Britain's Defence: Securing our Future Together* is to be completed in six months – by the "turn of the

year", according to George Robertson, the new Secretary of State for Defence.

Robin Cook, the Foreign Secretary, was not on the podium at the MoD yesterday, having attended the historic Paris summit on Tuesday, when Nato hurried its hatchet with Russia after more than half a century.

The review, Mr Robertson said yesterday, "will be foreign policy-led. We will work jointly

with the Foreign Office to establish a policy baseline that will build on our strengths and the best features of existing policies." The opposition attacked the

decision to launch a review so soon after the election. "Tony Blair said we need a period of stability and serious reflection," Nicholas Soames, the former

Armed Forces Minister, told *The Independent*. "Instead, they are rushing headlong into a strategic defence review. The only possible conclusion you can

draw is a smaller budget and all that goes with it. A diminution of Britain's role in the world." In response to questions, Mr Robertson admitted that an in-

crease in the defence budget was unlikely and that some of the most radical ideas, including fusing the three armed services into one, were non-starters. But otherwise he refused to predict the conclusions that the six-month review might reach. He stressed the review would be as open as possible, including widespread participation by people outside the inner sanctum of the MoD.

The Foreign Secretary, Robin Cook, and Mr Robertson would hold two major seminars "with a wide range of outside experts in the coming weeks to address the policy baseline for the review," he said. "In parallel, I will set up a panel of experts. I will also make arrangements to involve the opposition parties and the Parliamentary Defence committees. I should like all those with ideas – the press and the public as well – with ideas on policy and the best use of resources to put them forward."

If Mr Robertson means what he says, the new Government intends to reappraise Britain's role in the world. But it cannot escape the fact that this is the third major defence review in 10 years. Following *Options for Change* and *Front Line First*,

Fighting power: A Sea Harrier taking off from the aircraft carrier HMS *Invincible*, currently stationed in the Adriatic. The Government's defence review will re-examine the role of such aircraft  
Photograph: Reuters

conducted under the Tories, the new Government either has to make more fundamental choices – abolishing Britain's commitment to large-scale, "high-intensity" first-division war, relegating the British Army to a second-division *gendarmerie*, and possibly scrapping hugely expensive defence programmes like the four-engine Eurofighter project which is expected to cost Britain £15.4 bn.

The last government committed Britain to building 230 Eurofighters, and the new Government remains committed – so far. Alternatively, the Government might give this up but still try to retain Britain's ability to punch above its weight in the world arena – which Mr Robertson praised yesterday.

"There are very few international conflicts where people don't want British troops there," he said. And, without giving away the conclusions of the review, "it is acknowledged that some aspects of high intensity warfare are crucial to peacekeeping. When I was in Bosnia last week, I saw some of the mightiest armour ever deployed there." Those who sought a simplistic choice between retaining the ability to win a high-intensity, pig-iron war, and a peacekeeping *gendarmerie* were disappointed.

The Government was at pains to stress what it called the "developing consensus on defence and to establish the widest possible shared vision about Britain's future security needs and the tasks of the armed forces."

"I don't want this to be a Labour strategic review. I want it to be Britain's defence review," Mr Robertson said. He said he wanted the nation to come to a common view on defence and Britain's role in the world, and that it should not become, as he put it, "a political football".

The new Government has committed itself to maintaining MoD spending plans for the next two years. Thereafter, anything goes.

## Britain's role in the world 2

### Short spells out mission to cut poverty

Steve Crawshaw

A "major shift" in government policy on aid was signalled yesterday by Clare Short in her first major speech since becoming Secretary of State for International Development.

Speaking at the School of Oriental and African Studies, in London, she criticised the weight given to "political and commercial considerations" by the former Tory government.

But she spoke in upbeat terms of the possibilities of global change, suggesting that her own department could be redundant within a generation, because of the elimination of world poverty – "not alleviate, eliminate".

Ms Short argued: "I hope that within 25 to 30 years both the aid programme and my department will be closed down because our basic task has been accomplished."

She insisted, too, that there was no compassion fatigue, as it is usually understood. "The syndrome described as compassion fatigue is not a loss of compassion, but a general despondency because progress seems so elusive. I believe that as we set targets and begin to meet them, public support for development will grow."

She had warm words for Lynda Chalker, her predecessor at the department, then known as the Overseas Development Administration. "I respect and admire Lynda Chalker for the efforts that she made to sustain the quality and quantity of the aid programme."

But she insisted that Baroness Chalker was working with her hands tied, because of the attitudes of the previous government. "She was fighting a battle against impossible odds."

She said that, given the public emphasis placed by the Foreign Secretary, Robin Cook, on "ethical considerations" in foreign policy, she would be less at odds with the politically-minded Foreign Office than Lady Chalker was.

She referred to the problems which the government created for itself, with the Pergau dam affair, when aid funds were spent on commercial projects. But she acknowledged that there was still likely to be "creative tension" between her de-

partment and the Foreign Secretary.

Ms Short noted that aid has steadily been cut, in recent years. In 1979, she said, the Labour government spent 0.51 per cent of Gross National Product (Gnp) on aid, a figure that was "rising steadily". Now, the figure was "0.27 per cent and has been cut steadily." She reiterated Labour's target of increasing the size of the aid programme, to match a United Nations target of 0.7 per cent, while this year staying "within existing departmental budgets".

But, when asked to give a date for achieving the 0.7 per cent figure, she was dismissive. "I am increasingly exasperated by those



Clare Short: Upbeat about elimination of world poverty

who think that the size of the aid budget is the only important thing," she said, insisting that Labour's commitment to increasing the spending on aid was "not about quick headlines".

Ms Short said it was "essential" to ensure coherence between the UK aid programme, on the one hand, and policy on trade and debt, on the other. "It is precisely to give that sort of coherence that the Department of International Development has been created." The new department comes with a seat at the Cabinet table attached, a personal victory for Ms Short.

She packaged all her talk of aid yesterday with an emphasis on "sensibly regulated market economy", and on the observance of human rights. She talked of "partnership" with governments, but insisted that partner governments "must be committed to the creation of the right economic and political environment".

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**Jeremy Laurance**  
Health Editor

ner. Drugs which stimulate the burning of extra energy such as amphetamines and thyroid hormone should never be used because of their addictive properties, the report says.

These individuals are defined as those with a body mass index over 30. This is a measure of fatness obtained by dividing weight in kilograms by height in metres squared. The ideal BMI is 20 to 25 and above 25 is defined as overweight. A more direct measure of overweight is a waist measurement of 40 inches in men and 37 in women which is associated with increased medical problems.

"Slimming" pills was a misnomer because the only acceptable drugs in the treatment of obesity suppress appetite rather than make people thin-

Dr Kopelman said commercial weight loss preparations advertised in the media were not medicines and had not been scientifically evaluated. "We are concerned about these because the claims made for weight loss are totally unrealistic and if they were achieved they would be dangerous."

He said the use of drugs in very fat people was justified because obesity was a serious medical condition with an increased risk of joint disorders, heart disease and diabetes, but patients should be warned about side effects. Even a 10 per cent weight loss could significantly reduce these risks.

Although people tended to put weight back on after stopping the drugs, more research was needed into their long-term safety before they could be recommended for more than 12 months.

Professor David London, a member of the working party, said private slimming clinics had a duty to inform the patient's own GP when they were

being treated. "People are embarrassed by obesity, they may go to a private clinic without telling their GP and end up getting a double dose of drugs

which could be dangerous. It is very important that everyone involved in treatment should know about all the others."

obesity published last month concluded that appetite suppressants can lead to large weight loss but the benefits tend to plateau after six months.

The report, published as an *Effective Healthcare Bulletin*, by the NHS Centre for Reviews and Dissemination, which is funded by the Department of

Health, said fat people got little help from family doctors because they found obesity too frustrating a condition to treat. Getting rid of excess fat

**Obesity in England doubled** between 1980 and 1994 from 8 per cent to 13.8 per cent of men and from 8 per cent to 17.3 per cent of women. Half the adult population is overweight.

Matters are worse in the United States where a 1991 survey showed one-third of the white population of both sexes were obese. In Germany, a 1990 survey showed 17.2 per cent of men and 19.3 per cent of women were obese.

Obesity is defined as a body mass index (BMI) of 30 or above. A man who measures 5ft 10in and weighs 15-stone is obese, as is a woman of 5ft 7in weighing 13st 10lbs. BMI is a measure of fatness derived by dividing weight in kilograms by height in metres squared.

**Jeremy Laurance**

Doctors and nurses who believe that sick colleagues are putting patients at risk must raise the alarm even if that means breaching medical confidentiality, an inquiry has concluded.

The inquiry into the case of Amanda Jenkinson, an intensive-care nurse at Bassetlaw Hospital, Nottinghamshire, who was jailed for five years in 1996 for harming a patient, calls for a change of culture in the National Health Service to ensure that staff who pose a threat are identified before they can do harm.

There is no "absolute duty" of confidentiality but NHS professionals show a "marked and noticeable reluctance" to pass on information to colleagues that could be important to protect the safety of patients, it says.

Jenkinson, 37, was convicted at Nottingham Crown Court, after a three-year police investigation, of causing grievous bodily harm to a patient. It was alleged that she had tampered with life-support equipment to discredit colleagues.

The inquiry, commissioned by North Nottinghamshire Health Authority, makes 29 recommendations for improving recruitment practices, the checking of medical records and better communication. It suggests nurses might serve a probationary period in any new job and that their occupational health

record should move with them.

The inquiry, chaired by Richard Bullock, a solicitor, said that taken together Jenkinson's references revealed a pattern of a "somewhat prickly character who had difficulty accepting guidance, let alone discipline or superior authority."

The Royal College of Nursing said patient safety was paramount but a balance had to be struck between protecting patients and stigmatising nurses with minor, especially psychiatric illnesses.

Following the case of Beverley Allitt, a nurse at Grantham Hospital, Lincolnshire, who was given 13 life sentences in 1993 for murdering four children and attacking a further nine, NHS trusts stepped up efforts to screen out unsuitable employees. Nervous employers blacklisted anyone with a history of mental illness.

A spokesman for the college said the "blame culture" in the NHS had to be replaced with one which was more supportive.

■ A nurse at the centre of an inquiry into the deaths of four patients at the Royal Victoria Infirmary, Newcastle upon Tyne, was still being questioned by police yesterday following her arrest on Tuesday.

Kathleen Atkinson was suspended from her intensive care post a year ago and dismissed two months later for alleged gross misconduct.

## Vanishing Twin

By John Burnside

*I remember the fields of grain  
in my sister's dream,  
the fox on the wall of the church, the slow  
pull of the river,*

*but how could she see, when I was suspended in gold,  
an amniotic light, a steady  
pulse against the newly-furnished bone?*

*She bled away. But sometimes I wake in the dark  
and feel her with me, breathing through the sheets,  
or I turn in the shimmer of day  
and catch her out.*

*my opposite, though still identical,  
she's reaching down to haul me from a web  
of birthmarks, age lines, scars beneath the skin.*

"Vanishing Twin" comes from John Burnside's sixth collection of poems, *A Normal Skin*, just published by Jonathan Cape (£7). Cape also publishes Burnside's first novel, *The Dumb House*.

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# Clarke takes leadership cue from Blair

Anthony Bevins  
Political Editor

Kenneth Clarke last night made a flattering bid to imitate Tony Blair's success in modernising new Labour - with a call for "a new Conservatism."

In his first speech for the Tory leadership contest, the former chancellor of the Exchequer said: "In opposition, the party organisation takes on a critical new importance. I believe we must overhaul and revitalise our organisation at every level, so that, just as it did for Labour under Blair, party reform becomes the instrument for the widest possible participation in a new Conservatism."

Mr Clarke told the Inns of Court Conservative Association, in London, that once the leadership election rules had been changed, towards the end of the year, he would resubmit himself for re-election under the new rules.

But as Michael Howard, the former home secretary, indicated in a speech to constituency Conservative association chairmen at a Westminster meeting last night, that is now becoming common ground among the candidates.

Mr Howard said: "I promise that if I am elected, I shall stand again for election under the new rules as soon as that can be arranged."

That opens up the prospect of the new leader standing down as John Major did in 1995, in order to defend his own leadership, early next year. But the incumbent has an undoubted advantage, and few believe the party at large would wish to oust a new leader so soon after his first election next month.

In his maiden campaign speech, Mr Clarke said last night that the economy would be the "absolute centre-point" of Tory attack on Labour, which, he said, was "preparing to cook the books which we left in apple-pie order".

But he warned that the most vital task faced by the Conservatives was to create a fighting machine that could win again. "The Conservative Party is a party of power, or it is nothing," he said.

That meant unity, and an end to in-fighting, but also creating "a positive, popular force which can reach out and appeal to those groups which the parliamentary party now under-represents: to women, to the young, to the cities, to Scotland and Wales".

Mr Howard told his meeting, however, that the Tories had been written off after the 1995 Labour landslide, but they almost got back five years later and Churchill was returned to office in 1951, "inaugurating 13 years of Tory administration. So, yes, we have a way to climb. But we are climbing Snowdon, not Everest".

Earlier, leadership contender John Redwood told a press conference that his own version of the "green" crusade meant more attractive public transport, without penalising car drivers, and a concerted programme to increase water supply through a curb on leakages.

Answering questions, he protested that he was not intent on taking the party to the right, but was running a mainstream campaign. "We don't want to run a faction," he said. "We want to run the Conservative Party as a whole in the interests of the wider electorate."

"I am fed up with all this right-left stuff. We are Conservatives. We believe in common-sense principles. It is high time we were proud of those principles and got out there and told people why we believe in them, why they would be good for them."



Battle cry: Kenneth Clarke said yesterday, 'The Conservative Party is a party of power, or it is nothing'

Photograph: Philip Meech

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### Who's backing who? How Tory MPs line up behind the candidates

Apart from the hard-core campaigners, who have declared their support for each of the six Conservative leadership candidates, there are unofficial lists of potential supporters collected by each camp. *The Independent* has identified more than 100 Conservative MPs from those lists, and while some might be mistaken - particularly with MPs wanting to consult their local parties before casting their votes on 10 June - they could provide a rough indication of the way in which the first-round voting might be weighted. (Commons campaign team members in bold)

#### KENNETH CLARKE:

David Curry (joint campaign manager), Michael Jack (joint campaign manager), with support declared by: Michael Mates, John Gummer, Ian Taylor.

#### Possible supporters include:

Michael Ancram, Devon; Tony Baldry, Banbury; Virginia Bottomley, SW Surrey; Peter Brooke, Cities of London and Westminster; Quentin Davies, Grantham and Stamford; Sir Peter Emery, E Devon; Michael Fabricant, Uxfield; Sir Norman Fowler, Sutton Coldfield; Edward Garnier, Harborough; Sir Alan Hasall, Salford; Sir Edward Heath, Old Bexley and Sidcup; Michael Heseltine, Henley; Douglas Hogg, Sleaford and North Hykeham; Robert Jackson, Wantage; Sir Geoffrey Johnson Smith, Wealden; Tom King, Bridgwater; Sir Peter Lloyd, Fareham; Sir Nicholas Lyell, NE Bedfordshire; John MacGregor, S Norfolk; Sir David Mellor, SW Bedfordshire; Andrew Rowe, Faversham and Mid Kent; David Ruffley, Bury St Edmunds; Peter Temple-Morris, Leominster; Robert Walter, N Dorset; Sir Ray Whitney, Wycombe; and Sir George Young, NW Hampshire. (32)

#### STEPHEN DORRELL:

Simon Burns (campaign manager), with support declared by: David Faber, Peter Luff, Shaun Woodward. Possible supporters include: Richard Ottaway, Croydon S. (6)

#### WILLIAM HAGUE:

James Arbuthnot (campaign manager), with support declared by: Alan Duncan, Nigel Evans, James Paice, Tim Yeo, Roger Gale, Nick Hawkins, Humfrey Malins.

#### Possible supporters include:

Peter Bottomley, Worthing W; James Clappison, Hertsmere; Geoffrey Clifton-Brown, Cotswold; Julie Kirkbride, Bromsgrove; John Maples, Stratford-on-Avon; Malcolm Moss, NE Cambridgeshire; Richard Page, SW Hertfordshire; Andrew Robathan, Blaby; Jonathan Sayeed, Mid Bedfordshire; Desmond Swayne, New Forest W; John Taylor, Solihull. (20)

#### MICHAEL HOWARD:

Sir Michael Spicer (campaign manager), with support declared by: Tim Collins, David Davis, David Maclean, Liam Fox, David Lidington, Patrick Nichols, Francis Maude, James Cran, Christopher Chope, Andrew Lansley, Christopher Fraser.

#### Possible supporters include:

Iain Bruce, S Dorset; Sir Archie Hamilton, Epsom and Ewell; Oliver Heald, NE Hertfordshire; Andrew Mackay, Bracknell; Patrick McLoughlin, W Derbyshire; David Tredinnick, Bosworth. (18)

#### PETER LILLEY:

Eric Forth (campaign manager), with support declared by: Gillian Shephard, David Willetts, Patrick Cormack, John Whittingdale, David Amess, Bernard Jenkin, Nigel Waterson, Gerald Howarth, Andrew Tyrie, Nick Gibb, John Bercow.

#### Possible supporters include:

Peter Ainsworth, E Surrey; Michael Colvin, Romsey; Piers Merchant, Beckenham; Ann Widdicombe, Maidstone and the Weald; Ann Winterton, Congleton. (18)

#### JOHN REDWOOD:

Iain Duncan Smith (campaign manager), with support declared by: Angela Browning, Marion Roe, Andrew Hunter, Julian Brazier, David Wilshire, John Wilkinson, Julian Lewis, Oliver Latwin, Howard Flight, Laurence Robertson. (11)

A number of names have been mooted at Westminster, including some of the MPs who had the whip withdrawn following a European Union revolt, but some of them deny a commitment to Mr Redwood, and say there is no bloc commitment.

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# Channel 5 gets poor reception as viewers vote with off-switch

Paul McCann  
and Janine Gibson

The first cracks are appearing in Channel 5's two-month-old launch strategy as it struggles with half its target ratings and a fall in its forecast advertising earnings.

The channel's much publicised "stripped and stranded" schedule - where programmes appear at the same time every night - is being scrapped for one of its flagship programmes, one of its few well-known presenters is distancing himself from his show and its breakfast output is being revamped.

Since its launch in March Channel 5 has been putting highlights of its celebrity gossip show *Exclusive* on after its 9pm film in order to keep its Jack Docherty chat show "stripped" at the same time every night - 11pm - even when preceding films end early.

Now the channel is dropping the fixed start time for *The Jack Docherty Show* because of the weakness of the *Exclusive* show - an acknowledgement, according to an insider, that "it is programmes that make schedules not the other way round".

*Exclusive*, which is watched by just 150,000 viewers in a peak time slot, is being relaunched - in Channel 5 speak "evolved"

- so that its presenter, the Virgin Radio DJ Jono Coleman, does fewer reports. There are also rumours that the other presenter, Jason Roberts, is leaving.

Upset is also expected on the channel's breakfast show where ITN, Channel 5's main news provider, shares production duties with FT TV, which is owned by one of its shareholders, Pearson. FT TV was deemed by programming director Dawn Airey to be too inexperienced to take on the whole show itself but has now seen off ITN and will be running the show itself.

Because it is on while the other channels are weak the breakfast news gets one of the channel's biggest audience shares.

The source of the channel's problems is a weaker-than-expected signal which means that only around 50 per cent of the population can even see it rather than the 65 to 70 per cent expected before launch.

This has given the channel a viewing share of around 2.5 per cent - a quarter of Channel 4's share and a twelfth of ITV's - compared with a target for the first year of 5 per cent.

On average just 11 per cent of the population is watching at least three minutes of the channel every day during the week

ending 18 May. Some of its programmes are getting so few viewers, under 30,000, that the programmes do not appear in the BARB rating figures.

All this has provoked Zenith Media, the country's largest buyer of advertising air time, to lower its forecast of how much money Channel 5 will make this year from around £95m to £80m.

"Advertisers aren't trying to get their money back," said Mike Gorman, media director

of Saatchi & Saatchi. "But the channel has to keep playing their ads over and over again to get up to the ratings they promised."

"It means they haven't room to take any more ads and are endangering future relationships with advertisers."

Much now hinges on the channel's broadcast of the England versus Poland World Cup football qualifying match this Saturday. The channel hopes it will provoke people who are yet

to tune-in their televisions - as opposed to their videos - to do so.

It is running poster and radio advertisements telling people to tune-in their televisions for the match so it can keep them once the game is over.

Some insiders believe the heavyweight video retuning campaign has confused people about the difficulty of tuning in their televisions.

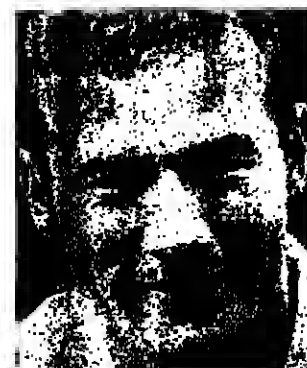
"Saturday is a watershed for the channel," said Mr Gor-

man. "They have to make the effort to get people to retune and they have to promote all of their other programmes desperately during the match. It is a huge one-off opportunity."

However, the channel is dogged by the expectation that many football fans will travel to their local pub to watch the game, as they are used to doing to watch matches on satellite, rather than retune at home.

The England match, a "tune in your TV" advertising cam-

Out of tune: Jack Docherty, left, who hosts CS's chat show, and Jono Coleman, below, presenter of the gossip show *Exclusive*. Observers think the exclusive coverage this Saturday of Alan Shearer, bottom, and the England team's World Cup match in Poland could make or break the channel



## Direct Line pays price of challenge

Paul McCann  
Media Correspondent

You wouldn't want to be the advertising man who thought of this one. A multi-million pound television and newspaper campaign by the Direct Line financial services company was launched this week challenging other mortgage lenders to answer four questions about their service. Now the campaign has backfired and Direct Line is having to pay hundreds of thousands of pounds to promote one of its rivals who can indeed say "yes" to the questions.

First Direct, the telephone bank owned by the Midland Bank, took up the so-called Direct Line Challenge that has been running on television and in full-page advertisements in the national press all week.

Direct Line offered to allow any of its rivals who could match it on four customer service points to appear in its television commercials.

The advertisements ran last night in some of television's most expensive airtime, including the *Champions League Final* and *News at Ten* on ITV and *Friends* and *ER* on Channel Four. Advertising industry air-time buyers estimate First Direct received promotional worth at least £260,000.

"It looks as if Direct Line didn't do their homework very well," said a spokeswoman for First Direct. "It was a strange challenge because we've been saying yes to all four questions for years."

First Direct wanted to use the free advertisement to set four challenges to Direct Line - including matching their open on Christmas Day policy - but was limited to saying yes to each of Direct Line's four questions.

Direct Line recorded the advertisement starring a First Direct spokesman yesterday morning and was putting a brave face on the debacle. "We have no qualms at all about them sharing our airtime," said a spokeswoman. "This is a blow far clearly in a confused market."



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## How to sack bad teachers and improve standards – by heads' union leader

Lucy Ward  
Education Correspondent

Failing teachers should be sacked if their pupils do not achieve expected test and examination results, a head-teachers' leader said yesterday.

Measuring teachers' performance against results targets would be one way of speeding up time-consuming procedures for dismissing staff who are not up to the job, according to David Hart, general secretary of the National Association of Head Teachers.

His suggestions – which echo a proposal made by the Conservative government – will be welcomed by parents concerned that their children's education is suffering because of inadequate teaching. At present, a complex seven-stage dismissal process can mean schools take as long as two years to get rid of poor staff.

Mr Hart's call came as Labour ministers called on teachers' unions and school employers for help in developing a "firm but fair" fast-track approach for dealing with failing teachers.

Stephen Byers, the minister for school standards, said the Government was not prepared to join a "conspiracy of silence" to protect inadequate staff.

"There is a minority of teachers who are not doing a good job and their failure is damaging the educational opportunities of our children... These are children who don't get a second chance," he said.

A means of removing bad teachers quickly is essential if Labour is to succeed in its crusade to raise standards – where necessary by closing down poor schools and re-opening them with a new head and some new staff members.

Speaking on the second day of the NAHT's annual conference in Scarborough, North Yorkshire, Mr Hart said headteachers were as frustrated as parents and governors at the time being taken to sack incompetent staff. Schools were already under pressure following the introduction

of league tables, assessments and budgets based on pupil recruitment, making it "very risky for any head to tolerate a failing teacher in their school".

But heads are being hampered by "convoluted" procedures involving an informal, oral, written and final warning to poor staff, followed by two dismissal hearings and an appeal before governors. In some cases, local authorities prolonged the process through fear of expensive legal action if procedures are not followed to the letter.

One means of accelerating the process would involve linking dismissal procedures with the Government's plans for achievement targets for schools, departments and individual teachers, Mr Hart predicted. For staff, the indicators are likely to include pupils' exam and test results.

Heads would welcome any evidence which could be produced in support of steps they have to take to deal with the small minority of teachers who were not up to the job, he added.

Teachers may also be made to undergo compulsory appraisal as part of government plans to weed out incompetents. Where necessary, the findings could be used to contribute to competency procedures.

Calls by heads for sacking by results provoked strong opposition from the leader of the largest teaching union.

Doug McAvoy, general secretary of the National Union of Teachers, said: "This is a surprising U-turn. Mr Hart has always been opposed to judging schools by their results. Judgment by results is a Victorian concept which has no place in today's education system."

He blamed "weak and inadequate management" on the part of heads and governing bodies in refusing to use existing procedures to deal with incompetence, and challenged Mr Byers to analyse the problem before "rushing for a fast-track solution".

Heads should work to prevent a teacher's performance deteriorating to the level of incompetence, he said.



Happy landings: Sister John Boscoe welcomes some of the 'orphans' on their arrival at Heathrow after flying in for family reunions yesterday

Photograph: Andrew Buurman

## Lost children come home after 50 years

Kathy Marks

They were orphans, or so they thought, abandoned at birth into the care of Roman Catholic nuns and then transported halfway across the world to populate Australia with good, white British stock.

Thousands of children were shipped to Perth after the Second World War as part of a migration scheme designed to relieve overcrowded orphanages in Britain and Ireland. Many who boarded the ocean liners for the six-week voyage thought they were going on holiday.

When these lost children, as they call themselves, found out that they were never coming home, they accepted their lot and made their lives in Australia. It was only a few years ago, as middle-aged adults, that they learnt that they were not orphans after all. They had been born into poverty, or to unmarried mothers. Many had family living in Britain.

Yesterday a group of 40 women returned to their native country, some for the first time, to try to retrace surviving relatives. They called it a pilgrimage, a sentimental journey, and emotions were raw when they stepped on to the arrivals concourse at Heathrow airport.

Rose Kruger, 61, wept as she embraced Margaret Severs, the older sister whom she left behind in an Edinburgh orphanage in 1947. "I never imagined I would see her again," she said. "I have thought so many times about the relationships that I lost."

Eileen Ashby was eight when she arrived in Australia to be brought up by the Sisters of

Nazareth, in Geraldton, near Perth. "I had no idea how far I was going. I had never heard the word Australia before, and I thought it was around the next corner," she said.

The nuns told her that her family were dead. "They didn't realise that although we were little kids, we were going to grow

up and would want an identity," said Mrs Ashby, 57. "All I wanted to know was who I was and where I came from."

After lengthy enquiries, she found out that she had nine brothers and sisters and that her parents were alive. "It took me 30 years to trace them. I feel very bitter. I missed out on family life,

on all the love and attention." For the women, particularly those who have been unable to trace relatives, their fellow "orphans" have become substitute families. Many remain angry at the successive British governments that sanctioned the child immigration programme.

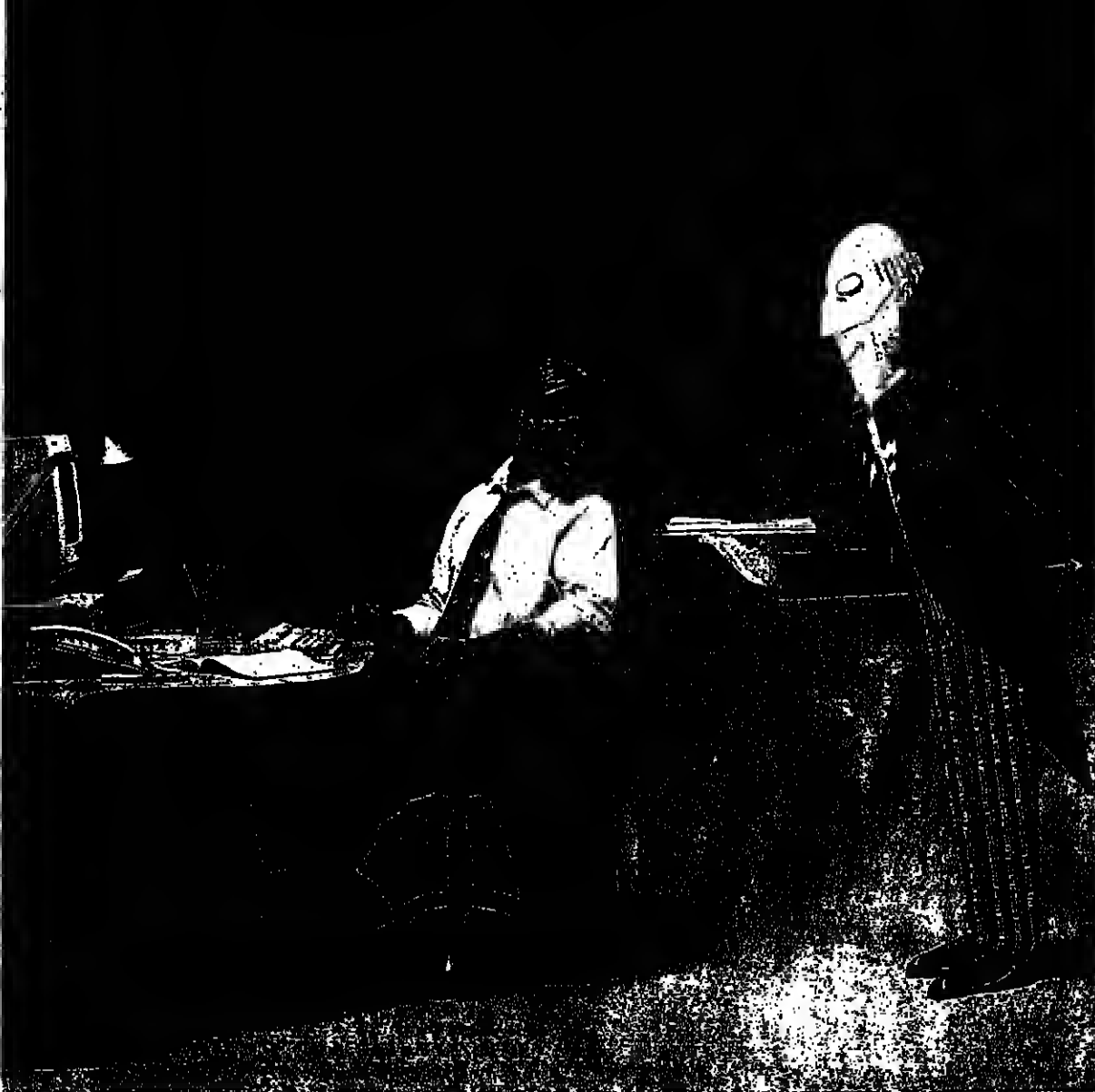
Their trip home was partly funded by the two religious orders that cared for them as children, and was timed to coincide with the 50th anniversary of the start of the transports.

Sister Leonie O'Brien, of the Perth-based Sisters of Mercy, was at Heathrow to greet them. She acknowledged, with some reluctance, that the programme had been miscon-

ceived. "It was a different era," she said. "The British government had all these children in orphanages after the war."

"Australia was a young country with a very small population. At the time it must have seemed right, but for the children it was a very harsh experience."

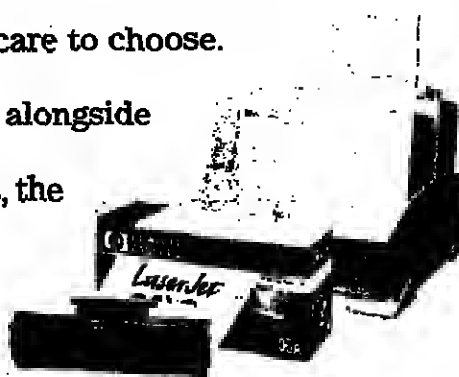
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# Clinton endorses EU eastward extension

Sarah Helm  
The Hague

Fifty years after the Marshall Plan, US pledges support but not cash

Invoking the spirit of the Marshall Plan, the massive United States aid programme for post-war Europe, Bill Clinton yesterday called for a new drive to secure a united Europe with swift enlargement to the east.

Speaking in the Hague, at a ceremony to celebrate the 50th anniversary of the Marshall plan, the US President said: "We have a second chance to complete the job that Marshall and his generation began."

Mr Clinton also used the occasion to endorse the European Union's latest moves towards deeper integration, saying that integration was "good for Europe, for the US and therefore for the world".

Coming just two months before the EU launches the first stage of eastward enlargement, by pronouncing on the readiness of would-be member states to join, Mr Clinton's words will be taken as strong encouragement by eastern and central European states. However, the day-long celebrations were marked by elaborate symbolism and visions of grand design, rather than substance or pledges of Marshall-style money.

Mr Clinton said: "We cannot simply say to the countries of central and eastern Europe we want you to develop democracy and economic prosperity - and good luck." But he also stressed that

European aid to eastern Europe must come from further private investment, and political support in building democracy.

Wim Kok, Prime Minister of the Netherlands, which holds the EU presidency, said as much as \$100bn could be needed simply to build the infrastructure in prospective eastern



Wim Kok: Seeking private funds for eastern expansion

European members in readiness for union. He proposed a Euro-Atlantic conference later this year to promote ways of channelling private funds towards such projects. "It is only because of the sheer magnitude of these needs, that most of the money will have to come from pri-

vate investment," Mr Kok said.

The gathering at The Hague came the day after the US President and other European leaders had joined in equally momentous speech-making at the signing of a new security pact between Nato and Russia in Paris. Picking up the Paris themes of partnership and unity, they yesterday asserted that what the Nato-Russia pact had achieved for security, they were determined to achieve now on an economic level.

Much was said about "summoning the spirit of the Marshall plan", and Mr Clinton, in particular, emphasised how the European Union institutions of today had in many ways sprung from way the Marshall programme encouraged European countries to co-operate.

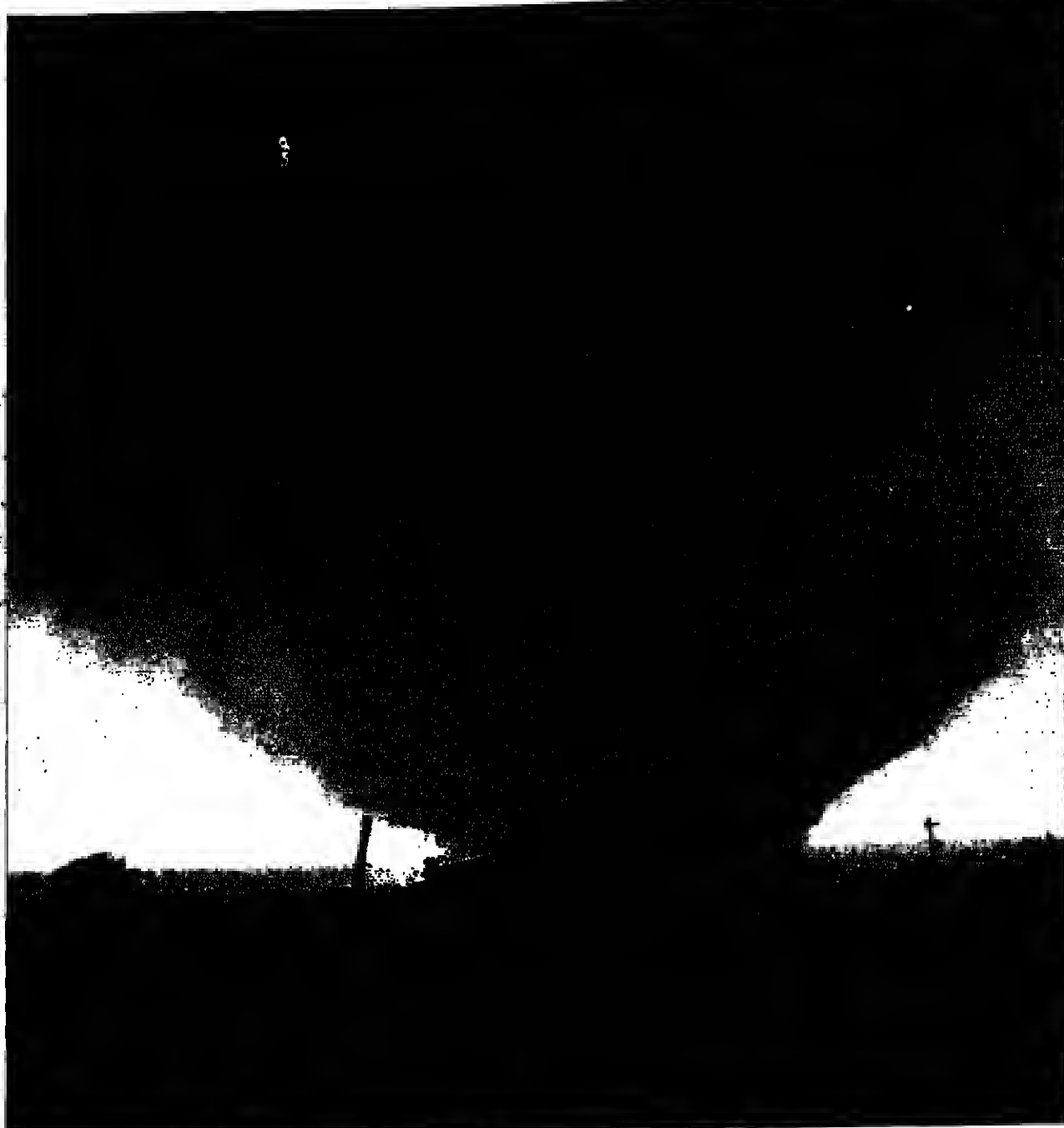
In the evening Mr Clinton unveiled a statue of General George Marshall in Rotterdam, the Dutch city flattened during the war and rebuilt into the world's busiest port with the help of Marshall funds.

Asked whether his support for continued European integration extended to backing economic and monetary union, Mr Clinton again invoked the Marshall approach, by saying it was up to Europeans to further their integration. "The United States does give clear support to integration - we are not only not threatened by it, we are excited by it and support it. But it is up to you to do it and with your own timetable," he said.

President Clinton and Europe's leaders, who avoided mention of current EU-US trade disputes and signed instead new small-scale trade agreements, spoke of the need to maintain strong US-EU ties.

"Today I affirm to the people of Europe - as George Marshall did - America stands with you. We have learned the lessons of history. We will not walk away."

However, Mr Clinton's emphasis on the US bequest to Europe, if peace and prosperity may well have caused irritation in some capitals, particular Paris, where the Marshall plan is not always a favourite theme. Jacques Chirac, the French President, was absent from yesterday's ceremony, no doubt pre-occupied by the elections. Tony Blair, the Prime Minister, also stayed away, sending John Prescott, Deputy Prime Minister in his place. Mr Blair will have his own private meetings with Mr Clinton in London which the latter visits today.



Savage sky: A tornado near the west Texas town of Jarrell where 30 people were killed

Photograph: AP

## Texas tornadoes kill 32

David Usborne  
New York

Central Texas was trying to pick itself up yesterday after suffering a string of powerful tornadoes on Tuesday that left at least 32 people dead and wide swaths of devastation.

Worst hit was the small town of Jarrell, 40 miles north of Austin, where 30 residents were killed in a single housing estate that was literally razed. As well as the shock of so much loss of

life, the population was struggling yesterday to digest the sheer extent of the destruction. "It's not there any more," said deputy sheriff RB Raby. "I don't know of anything anyone can do. It's just a flat vacant field."

Such was the power of the tornadoes that even the pavement had been lifted. Fields were scattered with dead cows, telephone lines were snapped and vehicles were overturned.

Ray Westphal described watching as one tornado ap-

proached his business in Cedar Park, 25 miles from Jarrell. At first it looked about two inches high, he said, and then suddenly took up all of the horizon. "As it got closer, building tops were flying around. It was picking cars right up in the air, flinging them everywhere."

The storms were the worst to strike Texas for a decade: in 1937, 30 people were killed in Saragosa. Storms that swept through the state in 1953 and in 1902 both left 114 people dead.

## Gore the heir apparent faces early power play

Mary Dejevsky  
Washington

While President Clinton is playing transatlantic statesman in Europe and trying, through lawyers, to fend off sex allegations at home, the first stirrings can be detected of a drama whose denouement is at least three years away: the contest for the United States presidency in the year 2000.

Until very recently, there was an assumption that, on the Democrat side at least and barring accidents, the candidacy was decided. Al Gore, Vice-President during Bill Clinton's two terms, who will be only 52 at the time of the next election, would be the Democrats' choice. That, it was believed, was the deal when Mr Gore agreed to run for vice-president in 1992.

But it is not a foregone conclusion. Lacklustre speeches and diplomatic misjudgments from Mr Gore, plus Clinton scandals, could negate the Vice-President's advantage.

If there is to be a contest, however, one aspiring candidate is trying harder and earlier than the rest. He is Richard Gephardt, the 56-year-old leader of the Democrat minority in the House of Representatives. A native of St Louis, a lawyer by training and now a powerful, if sometimes inarticulate, orator, his first bid for president, in 1988, ended in scornful charges that he lacked "substance, ideas and eyebrows".

In the past two months, Mr Gephardt has sprung back into the limelight with a vengeance by the simple, but highly effective method of striving to put as much of what certain British politicians would call clear blue water between himself and Bill Clinton as is politically possible. In doing so, he has taken up a deliberately populist stance on a set of issues that Mr Clinton sees as hallmarks of his presidency - neatly positioning himself to oppose Mr Clinton's heir apparent.

As Mr Clinton prepared for his recent trip to Mexico, the first by a US president since Jimmy Carter, Mr Gephardt took every opportunity to criticise the 1994 North American Free Trade Agreement (Nafta) that Mr Clinton was setting out to defend. For Mr Clinton, Nafta was saving US jobs, stemming Mexican immigration and helping to clean up industrial pollu-



Gephardt: Has sprung back into the political limelight

tion along the US southern border. A long-time opponent of Nafta, Mr Gephardt denounced its effects as having brought about a disastrous fall in wage levels in the southern states, having encouraged illegal immigration and having done nothing to reduce pollution.

Last week, Mr Gephardt again marked his difference by opposing Mr Clinton's balanced budget, which has a timetable of five years, to 2002. After weeks of wheeling and dealing, Mr Clinton finally clinched the bipartisan agreement he sought. Richard Gephardt declined to hedge. The disadvantages of signing up to a deal that went into the next presidency clearly over-

rode whatever blandishments he may have been offered. This week, Mr Gephardt played his third card. In a speech to the Detroit Economic Club on Tuesday, he argued strongly against the removal of most favoured nation trading status for China, citing human rights abuses by Peking.

Mr Clinton has already said he will renew the status, and Congress is limbering up for its annual fight on the subject, with opinions running high because of the party funding scandal in the US which implicates mainland Chinese interests, and the imminent handover of Hong Kong.

As with Nafta and the budget, Mr Gephardt and his coterie have no chance of defeating Mr Clinton's declared policy on China. Because Mr Clinton lacks a majority in either the House of Representatives or the Senate, he needs bipartisan agreement for any of his legislation to pass. But this is what gives Mr Gephardt his opportunity.

He can operate as a minority law unto himself without jeopardising the President's (limited) power, with Al Gore tied to Mr Clinton by virtue of his office.

Mr Gore, as if scenting the danger, spent Tuesday in New Hampshire, the renowned first stamping ground of any would-be president.

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## international

# Polls open in Indonesia for electoral sham that passes as democracy

Richard Lloyd Parry  
Jakarta

As the Indonesian elections get under way this morning, there will be a great deal of tension in the air, but not for any of the reasons usually associ-

ed with democratic politics. Long before the campaign even began, the outcome was clear: sometime in the middle of June, when the results are finally gathered in from across the vast archipelago, President Suharto's Golkar party will once again

have won by a huge margin. The two opposition parties will make a modest, decent showing, and the turnout will, as usual, be high, around 90 per cent. There is only one big question hanging over what the government calls its "Festival of

Democracy": will it see further outbreaks of the violence that has made this the most lethal election campaign of President Suharto's 30-year reign? Compared to last week, the last few days have been un-

eventful. On Tuesday and Friday, in cities all over Java, there were confrontations between police and campaigning Muslims; over the weekend at least 130 were confirmed killed in

hazing riots in southern Borneo. Yesterday, only two deaths were reported (police shot dead in a rebel ambush in East Timor). The Japanese embassy was evacuated after a bomb hoax - one of several scares which occurred throughout the day - and four men were arrested on suspicion of planning an explosion in a Jakarta shopping centre. If

things go as swimmingly as that today, the government will feel a little bit less embarrassed by its choice of motto for this month's campaign: "Make A Success of the Elections".

Politics in Indonesia, as the slogan indicates, is all about appearances, and by this standard these elections have been a terrible failure. Even by the government's (assuredly conservative) count, the number of electoral fatalities rose last week to more than 250, though for the government the numbers killed are less worrying than their source - a growing dissatisfaction with President Suharto and the creaky electoral apparatus by which the regime legitimises itself.

Indonesia's elections are a fix, an elaborate and sophisticated one. Ballot-box stuffing, open bribery and intimidation are not widespread and in theory any party can achieve a majority in the 500-seat House of Representatives (DPR). In practice, a series of measures, imposed at every stage of the electoral process makes it impossible for anyone but Golkar to win more than a token proportion of the vote.

The range of those entitled to enter politics is strictly curtailed. Apart from Golkar, only two opposition parties - the Indonesian Democratic Party (PDI) and United Development Party (PPP) are legally permitted.

In April, 12 Indonesians received sentences of up to 12 years for their alleged subversion in organising the unofficial People's Democratic Party. The government effectively appoints opposition leaders - when Megawati Sukarnoputri, the leader of the PDI, began to emerge as a potential challenger in the next year's presidential election, she was deposed in a government-backed coup.

Golkar dominates public life and the media - civil servants,

and families of military members are constantly urged to support it. Coverage of Golkar rallies by the state television company TVRI exceeded that of the opposition parties put together, according to a group of independent election monitors. Aspirant politicians are screened before being allowed to stand, and anyone suspected of ever having had Communist sympathies is barred - 200 people fell at this hurdle, most of them opposition politicians. The result is a highly controlled assembly characterised by Indonesians by the "five D's": datang, duduk, diam, dan, dan.



Poll boycott: Opposition leader Megawati Sukarnoputri

duit - "turn up, sit down, shut up, listen, take the money". Given these restrictions, the options are limited. Mrs Megawati has announced that she will boycott the votes - the proportion of spoilt ballots and abstentions will be one of the few statistics worth keeping an eye on. With such advantages, Golkar has to do very well to legitimise itself, and if it falls significantly short of its goal of 72 per cent, it will be a blow. But this will be an election remembered for violence.

"Never before," said the academic Mochtar Buchori, "have I seen such intense anger, jealousy and frustration."

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Perhaps it only needed someone to tell you how.



## significant shorts

### Ukraine allows Russian fleet to stay 20 years

The Russian Prime Minister, Viktor Chernomyrdin, said Ukraine agreed yesterday to allow Russia to keep its share of the former Soviet Black Sea Fleet at Ukraine's naval base of Sevastopol for the next 20 years.

Mr Chernomyrdin and the Ukrainian Prime Minister, Pavlo Lazarenko, signed terms of a lease for part of the base. Mr Chernomyrdin gave no details of how much Moscow will pay for the lease. **Kiev - Reuters**

### Polish abortion law in danger

A Polish court ruled that a law passed last year, effectively allowing abortion on demand, clashed with the constitution. In a decision likely to delight the Pope on the eve of his pilgrimage to his homeland beginning on Saturday, Poland's Constitutional Tribunal decided the liberalised abortion law did not uphold constitutional guarantees to the right to life. The ruling obliges parliament to re-examine the new law on abortion within six months. **Reuters - Warsaw**

### No redress for Aborigines

The Australian Prime Minister, John Howard, rejected calls to pay compensation to Aborigines for the forced removal of children from their families during decades of forced assimilation.

"This is asking one generation to accept legal responsibility for the acts of earlier generations," Mr Howard told parliament, resisting an opposition motion for compensation during a debate on Australia's "stolen generation". The Labor opposition has joined Aboriginal leaders in calling for compensation for thousands of Aborigines abducted from their parents. The practice stopped in the 1960s. **Reuters - Canberra**

### Price on Algerian insurgents

As part of a clean-up operation ahead of next Thursday's elections, Algerian authorities are offering rewards for 72 Muslim militants alleged to be leading a bloody insurgency. The posters went up this week as security forces pursued a major offensive to the south of the capital to rout insurgents in a stronghold of the Islamic Salvation Army.

The biggest rewards - 45m dinars (£48,000) - are reserved for commanders of the Islamic Salvation Army and the rival Armed Islamic Group, the most radical group fighting in the five-year-old insurgency. **AP - Paris**

### Floss saves life

A quick-thinking nurse used dental floss to save her boyfriend from bleeding to death after a shark attack in the Bahamas. A shark shredded Wilbur Wood's right arm while he was spearfishing on Monday. His girlfriend, Gail Brooks, used the dental floss to tie off an artery in his arm. **AP - Miami**

Caliban

Prepare for  
earth - kar

مكتبة من الامم المتحدة



# Taliban kicked out of town after 3 days

Ferguson

After 72 hours after sweeping viciously into the key city of Mazar-i-Sharif, the Taliban are in full retreat yesterday, apparently driven out by a well-organised resistance who fought with guns and artillery for hours.

Artillery and machinegun fire shook the city throughout the night and lit up the sky. By morning, when it tapered off, at least 10 bodies were seen on a stretch of road. Abandoned Taliban vehicles had been smashed by rockets.

The newly invigorated opposition forces also claimed they had arrested the Taliban Foreign Minister, Mullah Mohammad Jous, and their northern military commander, Mullah Abdul Zaza, after they retook the city, a Pakistan-based Afghan service said.

The reports of the fundamentalist militia's sudden defeat Mazar showed that nothing can be taken for granted in the country's tortuous civil war. Like the rest of the world, the Taliban had written off the opposition, a shady alliance of ex- Mujahedin and former communists which appeared to



Line of resistance: Uzbek militiamen loyal to General Abdul Malik Palhawn guarding a Taliban jeep they ambushed yesterday during fighting in Mazar-i-Sharif

Photograph: AP

crumble over the weekend. The alliance's leader, General Rashid Dostum, fled into exile following the apparent defection of one of his most trusted lieutenants, Abdul Malik Palhawn.

Pakistan immediately recognised the Taliban as Afghanistan's legitimate rulers and urged other countries and organisations to do the same.

It now seems that Mazar was nothing but an elaborate trap, in the most classic Afghan style. If so, the Taliban fell into it headlong. They made two mistakes.

First, they underestimated the strength of Dostum's one-time ally, former defence minister Ahmed Shah Massoud, who continues to control the mountainous east of the country from his headquarters in the Panjshir Valley. The counter attack in Mazar seems likely to have been organised, at least in part, by Massoud's battle-hardened commanders who would not have taken kindly to the Taliban's arrogant demands that they lay down their arms.

Second, the Taliban made not one concession to local sensitivities. Within hours of their arrival, the mullah assigned to control the city, Abdul Razzaq, had installed himself at the central mosque and began to broadcast the ground rules of the new fundamentalist regime from the south: hanging for murderers, amputation for thieves, domestic incarceration for women.

Until then, many Mazaris had dismissed what they had heard about Taliban law as so much northern propaganda:

the broadcasts from the mosque proved that it was not so. Mazar is a liberal city, well-known in Afghanistan for its openness in educating both sexes; many of its inhabitants are addicted to gambling on quail fights, a sport that the new masters would surely abolish. Public opinion has been swayed by far less.

Anything could happen next. Mazar stands in the centre of the plains of Turkistan, where the mountain guerrilla tactics at which Afghans excel are of no

use. The Taliban might rally and drive the counter attack back, or the counter attackers could take heart from their recent success and sweep all before them.

Another possibility is a Panjshir-based attack on Kabul. With Taliban forces committed to the north, this might be General Massoud's moment, but such an action would depend on the loyalty of his troops.

Into the mix must be thrown the possibility of a mass exodus of refugees from Mazar itself. If fighting in and around the city continues, its 1.8 million inhabitants would have little choice but to flee, probably north to Tajikistan. The effect of such immigration on that vulnerable country only now emerging from a five-year civil war between communist nationalists and Islamic insurgents, is incalculable.

Prepare for noisiest night on earth – karaoke for 2 million

Spoken Vines  
Hong Kong

Hong Kong's transition to Chinese rule has survived many challenges, but none as awe-inspiring as the mass karaoke sessions planned for the handover. The flag gives way to the five-starred flag of China.

Ms Ki, the chief executive of the Better Hong Kong Foundation, and organiser of what promises to be the noisiest night on earth, cannot contain her enthusiasm. "I'm asking radio stations to get people to sing at home, to come out onto their balconies, if you have a window on it and sing, even sing in front of the television set. I want to make everyone feel like a star."

Ms Ki's wish-list for the extravaganza are songs such as "The East of the Sun", "A Better Tomorrow", "China Dims" and "Children of the Dying", which became one of the anthems of the 1989 Tiananmen Square massacre.

show, an illuminated flotilla crossing Victoria Harbour, water fountains, fireworks, lasers and, of course, the music.

Like many of the hundreds of events scheduled for 1 July and the days following the handover to China, this parade will be paid for by leading companies anxious to hitch themselves to the new era handover. The stock-broking house Barings has chosen to advance its corporate rehabilitation programme by sponsoring yet another fireworks show, which will be held on the last night of British rule.

Everybody who is anybody will be expected to make an appearance at these events, but the public seems less enthusiastic about rousing themselves to go out on the streets as history is made. One opinion poll published last week found only 6 per cent of respondents keen to take part in the celebrations, while 60 per cent said they would stay at home.

It is widely assumed that once the Union flag is safely

furled, President Jiang Zemin will make a triumphal entry to the territory with senior Chinese leaders in tow. He is expected to preside over a number of sombre set piece ceremonies, possibly including the swearing-in of the head of government.

The government itself is organising everything from competitions to walks to lyric-writing contests, food festivals, variety shows, concerts and dramas to mark the handover.

Hong Kong socialites, who need no lessons in extravagance, are planning a series of balls and dinners. And in a minor counter-culture of events is springing up, such as the Hong Kong Incarnation, a multi-media programme by local artists who want to question what is happening. A new gay club is planning a handover party which, its organisers say, will emphasise pink rather than red as the colour of the new order.

This is Hong Kong, so there will be a common purpose in these activities: money-making.

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TOO HOT! TOO COLD! THE FRENCH! THE SWISS!

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MAV

Due to technical problems Lily Wong was omitted yesterday. The sequence picks up today and Friday's episode will run on Saturday.

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## international



Signs of the times: Four-wheel drive vehicles, now de rigueur, parked on the streets of Stanley Photograph: Rex Features

## The day modern

## FLYING THE FLAG

War dragged a forgotten British outpost on to the world stage and into the 20th century, writes Andrew Marshall in Stanley

You can smell the change in Stanley. Fifteen years ago, most people used peat-fired stoves to cook and on a Sunday lunchtime the warm, sweet odour made the cold air smell like fine malt whisky. Now, less than a sixth of the houses have stacks of the thick, chocolate-coloured slabs stacked outside; oil and electricity have taken over.

That is just one indicator of the huge changes that have transformed the Falkland Islands from a backward, agricultural outpost into a more recognisably modern, if still isolated and rural society. One of the less-noticed results of the 1982 conflict between Britain and Argentina has been rapid economic development, with incalculable consequences for the 2,300 inhabitants.

You can see the changes, too. The population of Stanley has increased from about 1,300 to 1,600 according to the 1996 census, and it is still growing.

The solid, whitewashed stone and timber houses, with their brightly coloured metal roofs, still line the waterfront of this

tiny cathedral city on roads named after the great explorers, mariners and their ships. But now, on Jeremy Moore Avenue and Thatcher Drive, there are newer houses, many of them jaunty Scandinavian and Swiss timber prefabs. Fifteen years ago, there was a handful of broken down and patched up four-wheel drives from the days when a Land Rover was just a Land Rover. Now there are shiny new Countys, Defenders, and Discoverys, as well as Mitsubishi, Suzukis and Toyotas.

To go with the cars, there are roads. Fifteen years ago, outside Stanley, in "camp", there were only tracks, deeply rutted, muddy trails that beat hell out of the toughest vehicles. When the military built the new airport and military base at Mount Pleasant they built a road to it, which has

now been extended to San Carlos. It would still destroy the average family saloon, but an eight-hour drive can now be done in three.

A programme of new all-weather tracks is being constructed, connecting the isolated settlements and transforming life for the farmers. This, says Bill Luxton, one of the farmers, is "the greatest boon to civilised living. Now people can just take off, and they can drop in on their neighbours".

When the Argentine troops scrambled ashore here in April 1982, the Falklands were close to death as a community. The remoteness of the place and falling wool prices may have been at the root of the problem. But what God started, the Foreign Office and the Falkland Islands Company (FIC) had

apparently set out to finish through underinvestment: neglect and ineptitude. It was perhaps the most forgotten corner of empire, and government tacitly wanted shot of it.

The war changed everything. Mount Pleasant brought a twice-weekly Royal Air Force flight to and from Britain. Bureaucratic attention was last focused on the islands' social and economic problems. The commercial stranglehold of FIC was broken. Farms were subdivided and sold off to people who had frequently been victims of absentee landlords, and a programme of development was established to help drag the islands into the 20th century. Most important of all, an exclusive economic zone was declared in Falkland waters and a fishery was opened.

## Rising tide of crime swamps S African police

When Meyer Kahn, one of South Africa's most successful businessmen, agreed to become the first civilian head of his country's crumbling police force this week he said he intended to enlist the help of everybody, from the Almighty down.

Heaven would be a good place to start; a near miracle is needed to pull the South African Police Service - demoralised, corrupt and haemorrhaging officers - back from the brink, and convince the public that the aptly-abbreviated Saps has not already drowned in the rising tide of crime.

It is hard to overstate the lack of public confidence in the police. Everyone has their own story to sum up the force. For some it is the theft, in broad daylight, of the cash dispensing machine from the fourth floor of Johannesburg police headquarters; for others, the identity parade of suspected car hijackers where victims failed to identify anyone in the line-up but easily fingered the officer behind the desk as the ring leader of a hijack gang.

Just yesterday three men stormed a police station in Khayelitsha, Cape Town, and stole all the officers' guns.

If it was not so serious it would be funny. But laughter rings hollow when the rate of violent crime has risen to rival the highest in the world and international organised crime syndicates are reported to be muscling in.

The level of public concern about crime has reached near hysterical levels. In the wake of the murder of Johannesburg economist Dr Ronnie Bethlehem - shot in his driveway by car hijackers - newspapers have called for a state of emergency and South Africans - black and white - are clamouring for a return of the death penalty.

Today, artists will begin work on a Wall of Remembrance in Soweto to commemorate some of the 25,000 people who died violently in South Africa last year. A similar wall was opened to painters in Johannesburg at the beginning of the month and is covered with portraits of victims along with angry inscriptions from families and friends.

Mr Kahn, group chairman of South African Breweries, says he is taking on the most difficult job of his life.

The government must take some responsibility for the crisis after dismissing it initially as "white whingeing". The arrival of violent vigilante groups like Pagad, pressure from within the African National Congress's own ranks for the death penalty, and growing international concern changed that.

But it is doubtful that a speedier response would have altered Saps' destiny.

The police have been flooded by a double whammy, according to Mark Shaw, of the Institute of Security Studies. Since the end of apartheid, Saps has been struggling to transform itself from instrument of state op-

Civilian takes on task of bringing order to force that has lost control, writes Mary Braid in Johannesburg

pression to a non-racist, civilian-friendly police force.

It would always have been an enormous institutional task. But Saps is trying to metamorphose while dealing with an unprecedented rise in crime.

It is, say some, a no win situation. A solution has certainly so far eluded those in charge and led to unseemly public rows between George Fivaz, Saps' national commissioner, and Sydney Mufamadi, minister with responsibility for police.

"People point to the transformation of the South African armed forces," said Mr Shaw. "But the armed forces have been able to change in a time of peace. The police are having to transform themselves under fire."

That can be taken literally. Post-liberation South Africa is awash with guns and the murder of police officers is becoming commonplace. Last year, 73 were murdered on duty while 211 were killed after-hours. Stress also took its toll, with 160 officers committing suicide. Alienated by necessary change and increased dangers on the job, officers are queuing up to leave. Many stations simply fail to function for lack of manpower.

Mr Kahn can at least take comfort in the lifting of a moratorium on police recruitment.

Fresh blood is badly needed. "Under apartheid the police did not really police," says Antoinette Louw, a criminology researcher at the University of Natal. Detectives generally bear a confession out of black suspects.

Today South Africa sits at the top of international crime tables. While international crime comparisons should be treated with caution, Ms Louw says South Africa undoubtedly has a very high comparative rate of violent crime.

She traces criminal violence back to the high levels of violence in the home, and in turn attributes that to the wholesale break up of family and community under apartheid.

But just three years after the election of South Africa's first democratic government, legacy-of-the-past explanations are already unfashionable with a public demanding quick and simple solutions.

While Ms Louw believes the rates of some crimes are levelling out, she will not hazard a forecast as to when crime will begin to fall.

Mr Kahn's contract is for just two years. Surely too short to make a difference? Long enough in one of the country's toughest roles, says Ms Louw. Mr Kahn will want out before his term is up; that she can confidently predict.

## Must the cure be a pill?

To move forward you need to take a different view. Which is why the new Audi A6

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# life caught up with the Falklands

bringing European and Asian vessels to chase the squid and fish in the islands' waters.

Nothing can change the Falklands' remote geography and their harsh, if beautiful, landscape. But society and the economy have been through a small revolution, stoked by the revenues from fishing.

The islands receive no income from British government funds; development is financed from fishing proceeds, and managed by the Falklands Islands Development Corporation. "It's taken an economy that was based on a single product, operated on a very feudal, low-wage system, and got well on the way to making it a mixed economy," says Hugh Normand of FIDC. A healthy nest egg has also been built up in case fishing income falls.

The number of farmers has declined; instead, the number of professionals, technical staff, and the sales and service sector has boomed, as new restaurants, offices, shops and transport services arrive. FIC, under new management, is a much more

lively and well-managed organisation, spurred into action by competition and the shift out of farming. Nearly everybody has a telephone, instead of the radios that used to be the lifeline for most people.

There is a large and well-financed hospital, and a brand new school. The bars are newly decorated, and the old, rugged and rather grim atmosphere, redolent of rural Britain 50 years ago, has largely gone. There are hairdresses with pierced noses; there is even a karaoke machine in one of the bars.

There are plenty of problems, of course. The biggest is that agriculture is still in sharp decline. "The farming industry is in a pretty difficult situation now," says Mr Luxton. The rural population has dwindled in 10 years from about 750 to 550, and it is aging. Low wool prices mean low incomes and little investment; many people bought their own farms only to see the debt become a millstone. Sheep farming may be economically marginal, but it is vital to the culture and society of the islands.



Corner of a foreign field: A Royal Marine mortar team preparing for action in 1982, to defend the Falklands against Argentine forces. Photograph: PA

The future of fishing, too, is unsteady. Argentina has opened its own fishing zone, undercutting the Falklands and leading to overfishing of the valuable hake squid, which, ap-

parently unaware of its political *faux pas*, divides its life between Falkland and Argentine waters.

Sometimes, the development seems skin-deep. Wealth has af-

fecting everyone's lives, but those who have gained in a big way form a small part of the population. The sense of equality that used to prevail – that everyone was in it together – is fading.

"There are people who are very concerned that oil wealth and fishing wealth shouldn't subvert traditional Falklands life and values," says Richard Ralph, Governor of the islands.

But Bill Luxton feels little nostalgia. "I really don't hanker after the good old days at all, when we were short of money and we had an indifferent medical service at best," he says.

Yet the next revolution is already starting, even as the old one is still underway. Oil exploration licences have been issued and seismic surveying is underway. In the next five years, oil reserves may be confirmed and production begun. If that happens – and if the revenues are as high as some people think – then the islanders can burn banknotes, not peat, in their stoves.

The ultimate prize that would come with oil is greater self-determination. Already financially self-sufficient, the Falklands are still dependent on Britain for defence. The islands' legislative council has already said that it would like to repay the British Government



for the costs of defence spending – about £70m a year.

None of the islanders wants to be an Argentinean; and the war has strengthened that feeling. But many would like to have greater autonomy, again a view that has been strengthened by the war. The poor administration suffered by the islands before the war left resentments, and many islanders feel they could look after themselves – apart from defence. Some speak of independence, perhaps, in the far-off future, but most prefer to think about greater self-reliance.

At the time of the Falklands war, one motive often ascribed by outside critics to the British response was the acquisition of oil: London wanted to ensure that it got the reserves. That is almost certainly rubbish: the Foreign Office had no interest in retaining the islands at all until the Argentinian forces landed. The only reason the Falklands are still British is that Argentina invaded. All the more ironic, then, that this, one of the last of the red specks on the map, may yet turn out to be worth billions.



In his glory: JFK yachting in the early Sixties, showing the look that has inspired a fashion. Photograph: Frank Spooner

## Scandal fails to dim the Kennedy glitz

David Osborne  
New York

The Kennedy clan may be mired in irresistible scandal once again – this time it is an alleged affair between Michael Kennedy, the son of the slain presidential candidate Bobby Kennedy, and an underage babysitter – but at least one member of the family still believes in the cache of Camelot.

Kerry McCarthy, a second cousin of John F Kennedy, will today mark what would have been the late president's 80th birthday in a manner that not every Hyannis aficionado will find entirely tasteful: she is launching a line of nautical leisure wear bearing the Kennedy name.

More precisely, the clothes will sell under the brandname JFK PT. The PT part is a reference to the Kennedy's command in the Second World War of a patrol-torpedo boat, PT-109. For the folks heading to Cape Cod this year, these fashion items will surely be a must. A JFK PT hat will be on the shelves for a mere \$19.95. For that seriously rakish (pardon me, presidential) look, a blazer can be yours for \$119.95.

To any student of Massachusetts politics, however, Ms McCarthy's timing would seem a bit off. The latest bearer of the Kennedy hex, which has produced such sensations as Chappaquiddick in 1969 and the William Kennedy Smith rape trial in 1992, Michael is being investigated for allegedly sleeping with his family babysitter when she was only fourteen. He could face charges of statutory rape.

The scandal, moreover, has erupted just as Michael's brother, Congressman Joe Kennedy, is preparing to campaign to become the next Governor of Massachusetts.

The lapping tide of Michael's troubles combined with Joe's own controversial battle to have his first marriage to Sheila Rauch Kennedy annulled by the Catholic Church, has sent the Congressman's popularity plummeting.

Indeed, there is talk that after 18 straight wins by Kennedy men in 18 general elections in Massachusetts this may be the year the spell is broken. "I'm convinced that if the story continues to escalate, he'll drop out of the governor's race and go back to what the Kennedys consider private life: a seat in Congress," commented Republican consultant Kevin Sowyrda.

But Ms McCarthy is gambling that JFK remains a hot brand, whatever the electoral mood. If she is proven right, who knows where else political merchandising might catch on? How long before Harvey Nichols begins boasting Maggie Thatcher handbags? Anyone interested in a Michael Foot donkey jacket?

Nor is she too bothered by accusations of mercenary exploitation of the family name. "I think it has been commercialised for years and years and years. I think every book that comes out about Kennedy is a commercialisation."

And if the family itself objects? Too bad, she replies, "because I can't do anything about it if they are".

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# Fat is a straightforward issue



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Feeling porky? Tummy sagging? You have had the calipers out and pinched the flesh that sits just above your hips or, less painfully but more intellectually demanding, measured your BMI (Body Mass Index, or weight times height squared). Perhaps you turn out to be one of every eight men or one of every six women who are, clinically speaking, obese. The Independent – which takes no view on the aesthetics of size and simultaneously sees pulchritude in tight buttocks and opulent stomachs – offers this tip. There are two ways to lose weight, and quickly. One is to fall in love, or otherwise tumble into emotional spasms – for example by being fallen out of love with. This is not necessarily recommended since other parts of the body and mind can be left scarred. The other way to fend off obesity or shed those pounds (kilograms if you are younger and more metric) is even more simple. Stop eating. Stop drinking calorific drinks. Go for a walk every day.

The obviousness of the advice does not make it any less valid. Moreover, it only costs you the cover price of this newspaper – and very little time to read. So we have just saved you the need to go out and buy mountains of drugs and books and inflict misery on yourself. Obesity is a disease of affluence; or rather of the maladjustment of mind-set and material opportunity. Yesterday the Royal College of Physi-

cians responded to a government request for new guidelines on the use of appetite suppressants, which urged a much more conservative prescribing regime. The doctors did not, however, make the obvious point. People are asking for pills to stop them doing something they themselves could do by act of will: for the exercise of mind they are substituting chemicals – something far more morally scandalous than resorting to drugs for recreational pleasure.

Size has become an industry, a culture, a lifestyle and a universal preoccupation. In part this reflects the way we inhabit a universe of American concerns and assumptions. The American drama we consume features thin or at least well-proportioned people; in reality the United States is fatland. That disparity is just as obvious to Americans themselves, leading to a national obsession with weight which we are in the throes of importing. We need trade barriers against the American attitude of complaint that says: the culture makes me eat to excess, therefore I have a right to help – whether from doctors, counsellors, quacks or therapists. The American way – as with that country's epic and virtually fruitless battles against the importation of cocaine – is to ignore the causes of complaint but to attend merely to symptoms and supply. What we don't need here is the diversion of resources, especially public health resources, into research and

therapeutic development for a self-induced condition.

Our maxim is: be fat and be happy – or else eat less and exercise more. Just don't complain. Fatties sometimes try a rather half-hearted claim that they are the victims of visual oppression. There is great celebration when *Vogue* prints a picture of a young woman who – to unprejudiced eyes – is merely ample but to fashion mavens looks a radical departure from the stick-insect norm. This is a puzzle. Large numbers of women are obese and even greater numbers are plump, well-endowed, voluptuous, Rubenesque (the adjective

is in the eye of the beholder). They surely cannot all be an oppressed minority. If they are, let's anticipate a fattist insurgency, banners saying "I'm fat and proud". Of course obesity is a problem. Excess weight knocks years off life expectancy. One study even turned up a straight calculus of chips into extra months of existence – every pound increase in weight between the ages of 30 and 42 increased the risk of death within the next 26 years by one per cent. Work out the odds, and put your fork down. Other studies have suggested that exercise and cardio-vascular fitness are critical; the fit and fat may

live as long as the thin. Either way there are two conclusions to be drawn. The first is for doctors. There is an increasingly large category of conditions which people take to general practitioners and clinics, which are neither disease as traditionally defined (tissue degeneration as a result of infection or ageing) nor straightforward accident. Nor are they unavoidably the consequence of lack of resources, for example the health problems associated with low income, bad housing or work in insanitary conditions. They stem instead from the way people choose to live. They are the afflictions of lifestyle and include conditions brought on by drug and alcohol abuse, smoking and eating too much. Doctors are not, generally speaking, expert in emotional distress. If people overeat because they are unhappy, they need to be referred to priests and therapists or urged to get friends or pets. To reach for the decaffeinated coffee is a cop-out, as well as potentially dangerous in terms of side-effects, which according to yesterday's report may themselves be hard to spot. As the Royal College starchily puts it, the first response should be a combination of diet, exercise and behaviour modification. As an idea, behaviour modification has a chequered history. It is what Comrade Pavlov sought to do to his dogs and Professor Skinner to his rats. With humans there is the slight matter of mind and intention, let alone volition

and people's almost infinite capacity to kid themselves. To the question: do you sincerely want to lose weight, increasing numbers give the practical answer "no" – the effort is too great, or they simply enjoy eating too much. Let them live and eventually die, albeit a bit sooner than otherwise, with the consequences. And stop asking for magic-bullet drugs.

## Water dividend just won't wash

If a 15 per cent dividend payment to shareholders from a water supplier charging among the highest rates in the country isn't a windfall, then apples don't fall off trees when the autumn breezes blow. Anglian Water is not making this distribution because it is super-efficient, or because it has busied round Cambridgeshire and Norfolk repairing all the leaking pipes. The payment is based essentially on its monopoly of water supply, and the inadequacies of the regulatory regime established by Nicholas Ridley and Margaret Thatcher. Labour should go ahead with its tax. It should also keep an open mind on further privatisation – and on the need to ensure that the private suppliers of public goods are either subject to competition or strenuously regulated.

## LETTERS TO THE EDITOR

### Britain must not rush into PR system

Sir: Donald Macintyre, in "A good time to help Ashdown and start on PR" (23 May), overlooks the key point that there is a multitude of different proportional representation voting systems in use world-wide, and many even within the European Union. The work of the Boundary Commission in drawing up new European constituencies for 1999, based on groups of the recently revised House of Commons seats, is now well advanced; unless we were to adopt one specific PR system without prior public debate and consultation, it is hard to see how such a fundamental change could be introduced in time.

The impression is sometimes given that PR is a brand new idea, when in reality it has been around a long time and a number of countries that originally adopted a PR voting system have subsequently reverted, at least partially, to first-past-the-post elections. Like a great many people I believe we should be very cautious before we abandon the traditional link between an elected member and an individual constituency, in any type of election. The constituency link ensures everyone has "their own" MP and imposes on elected members a degree of commitment and accountability to the electorate that most forms of PR do not, and that party list systems certainly fail to do.

The Labour Party has made a manifesto commitment to conduct a referendum on whether people in Britain want a change to a PR form of voting and to precede this by setting up an independent Electoral Commission to advise on alternative systems to our present one. This fair and reasonable approach should apply not only in the House of Commons, but to the European Parliament and local councils as well. If we avoid rushing into a possibly unwelcome form of PR for the European elections in 1999, then it could be introduced, after thorough preparation, for the elections in 2004.

MICHAEL ELLIOTT MEP  
(London West, Lab)  
London W13

Sir: Donald Macintyre (23 May) is right to identify the European elections of 1999 as an opportunity for Labour to introduce a pluralist voting system. But there is an earlier opportunity.

The Queen's Speech offered the people of London the opportunity to set up a strategic authority for our capital city. Labour is producing a consultation paper in July. To establish a strong, consensus-seeking assembly which will work with rather than in competition to a newly elected London mayor, we need PR for London.



knowledge or experience of active service.

The fact is being ignored that in only 10 per cent of courts martial cases in the First World War in which the death sentence was given, was the sentence carried out. It is normal procedure for the verdict and the sentence of a military court martial to be reviewed by a senior officer. Clearly, in 90 per cent of the cases the reviewing officer considered that either the evidence called for clemency, or the accused had not received a fair trial.

Anthony Bevis and Steve Boggan highlight a case in which a soldier "as young as 19", was executed. Age, colour and creed are irrelevant. All service personnel are equal as members of a team dependent upon each other for their individual safety in an operation.

L W WRIGHT  
Captain (Ret'd)  
The Parachute Regiment  
Ipswich, Suffolk

Sir: You quote the historian, Julian Putkowski, who says that "the officers knew the men they were sentencing to death were too young and should simply have been sent home" ("Army firing squads killed too young", 28 May). Had this been done, how many soldiers would have claimed that they were under age – truly or falsely – and applied to be sent home?

Surely it was those officers who knowingly recruited under-age soldiers and posted them to France who were most to blame. It would be interesting to know how many youngsters failed to get into the Army because of the vigilance of recruiting officers.

LEO HAYNES  
Northwood, Middlesex

### Health care for our communities

Sir: The "patient-focus" care you wish to see (leading article, 23 May) has always been the basis of care in community hospitals. This sector has been overlooked by all governments, and at the moment there is a proposal to close 14 community hospitals in Powys. It is an opportunity to look closely at this sector. Community hospitals are an inherent part of primary care and should be incorporated in the primary care sector immediately. Ninety-five per cent of all NHS health care is carried out in the primary care/community hospital sector. For far too long community hospitals have been within the secondary care sector and at the end of the queue for financial investment, but at the front when it comes to reduction of services.

Had Mr Caines's father been in the Whitby area, all his care would have been done in one place, local to his home, co-ordinated by his GP. We are extremely lucky to have this facility here. But the higher echelons of NHS management do not seem to understand its nature. Let us have a radical rethink and bring the community hospitals, finance, management and future development into a primary care Locality Commissioning Unit where it belongs. Such a unit could hold the financial allocation for the whole area – GPs, community hospitals and some other services – and manage it for the benefit of its

community. The patients would love to see this happen, and would reciprocate by expanding their already substantial voluntary contributions to this sector.

The community hospitals are a much-loved part of the NHS, appreciated by all who either use or work in them. Many managers in industry would give their right arm to have such an enthusiastic and dedicated workforce.

Dr ALAN BRIGHOUSE  
Co-ordinating Manager  
Whitby and District Health Forum  
Whitby, North Yorkshire

### Winning the ratings race

Sir: Your article ("Counting the upturn boys", 26 May) contained an error about ITV's ratings for Formula One. ITV achieved an audience of more than 1 million more this year than the BBC did for last year's coverage of the Brazilian Grand Prix (6.8m vs 5.7m), and an audience on a par with last year for the races from Australia (3.3m vs 3.2m) and Argentina (6.0m vs 6.0m).

Although our rating for the San Marino Grand Prix reflected the early effects of the "Damon factor", the audience was by no means down year-on-year to the extent you suggested. ITV gained a live audience of 4.1 million for the race, compared with the BBC's 5.0 million.

CAROL MILLWARD  
Independent Television Association  
London WC1

### Not all protesters are cuddly

Sir: In your editorial ("Unearthed: Little Nuggets", 22 May) regarding the trespassers at Manchester Airport's second runway site, I am glad that you recognise that they are wrong, but you must be joking in your portrayal of them as friendly and likeable.

You have clearly not encountered the violent acts they are capable of. Death threats, cars and property sabotaged, intimidation of families, physical violence, bombardment of rescuers with urine and faeces – definitely not cuddly and nice protesters in anyone's estimation.

Of course, there are peaceable people amongst the trespassers camped at the second runway site, but there are also characters bent on causing damage and injury to people doing their jobs. There is even evidence that reputable ecologists have been threatened and intimidated when they have pointed out the environmental damage caused by the trespassers. Most of the people on the site have no connection with the area. The main effect of their action is to keep unemployed people in the dole queue.

I am disappointed that so many commentators have been conned into supporting the image of the trespassers they most like – as caring, peaceful demonstrators. Unfortunately that image is far from the truth.

It is impossible to subscribe to

the view that "you can't help liking them", if you have full knowledge of what actually happens on an eviction site.

GRAHAM STRINGER MP  
Chair of the Board  
Manchester Airport

### Long live the Internet

Sir: I fear that Andreas Whittam Smith has missed the point in his report of the recent Oxford Union debate (27 May).

I do not share his assumption that the demise of the nation state is something that we should fear. To take the examples of censorship (Whittam Smith uses the less emotive term, "policing") and of nationalism ("common identity and culture"): a reduction of the nation state's influence in these areas is surely an outcome to be desired.

Whether or not the Internet will prove an effective tool for the reduction of trade barriers, for the empowerment of individuals, and even for the lessening of global tensions, remains to be seen. But this potential is not a threat; rather, an opportunity for positive change.

My own worry is not that the Internet will mean the end of national control over the populace; rather, that the all-too-powerful nation states, democratic or not, will, by over-regulation, succeed in preventing the Internet from fulfilling its liberating promise. I would guess that the winning vote at the Oxford Union was at least partially engineered by a spirit of optimism, rather than by one of fear.

CHRIS BRODY  
London SE19

### Lessons to be learnt in Africa

Sir: Kevin Watkins is right to suggest we raise the cash to get Africa's children back into school ("The West can halt Africa's slide", 26 May); however, we have dabbled in education for Africa before. Go back to the first decade of African independence: one finds chains of admirable secondary schools and clusters of innovative universities that raised the intellectual profile and set the new cultural agendas of their respective countries. Anglo-America was not slow to respond. The promise was that a generation of liberated, informed men and women would release the potential of the continent and make a life worth living for all its citizens.

So what happened to them? Those who are not long since dead at appallingly young ages have been swallowed up by the self-seeking corruption that is necessary for survival in the thickets of African politics. Either that, or they have got out, or been chased out, and now form part of an increasing African diaspora. Invest in Africa now, and who is to say we would not see our funds disappearing down the same drains?

We must not again superimpose a quasi-British, exam-based system that promises neo-existent urban office jobs to school leavers and university graduates. We should take into account the fact that the last time we moved in with our educational cohorts, we took not one whit of notice of local cultures, with the result that although we produced young people fit to work and live in our culture, we outraged their parents, many of whom were convinced we had produced a generation of unruly, disrespectful youths.

DAVID WALLACE  
Hove, Sussex

### Art, science and stupidity

Sir: Will Self is right ("Art, science and Self abuse", 24 May) to chide Lewis Wolpert for his elitist view of science and disparagement of common sense.

I vividly remember from last year, when a learned professor came to stay for a while, coming down to breakfast one morning only to find him poised over a two-litre carton of milk on its side and about to sever the cap with the bread knife. Having let out an expletive, I grasped the carton and to his utter amazement proceeded to remove the plastic tab and unscrew the cap. The house still bears the scars of other incidents with a less happy outcome, but which serve as a reminder of just how stupid clever people can be.

FR DOMINIC KIRKHAM  
Manchester

### Ten-minute tricks of the mind

Sir: Being constrained by O-level biology, taken in 1950, I am unable to understand why it is that I can never remember 10 minutes later whether or not I have cleaned my teeth, yet am always aware without looking that there remains some undrunk coffee in my mug.

I suspect that this is not an uncommon experience. Can one of your scientifically erudite readers explain?

ALEC JUST  
Buxley  
Hertfordshire



## analysis

Regional development policies are back. And the South-west needs them. But will Labour – and the Lib Dems – allow it the strong coordinating body it requires, asks David Walker



Summer at the seaside at Exmouth: everything's all right when the sun's shining, but the South-west needs more than tourism if it is to prosper

Photograph: Susannah Binney at Apex

# In search of a bigger splash

The trademark white hills of central Cornwall, formed from the spoil of china clay workings, are being greened. Nowadays you can, just about, drive on dual-carriageway roads all the way to Land's End. The Camhorne School of Mines, alma mater to generations of tin miners, has been rebadged as a campus of Exeter University.

But unemployment is stubbornly high – Cornish GDP per head is 71 per cent of the UK average. You can't eat the stones of Tintagel; tourist jobs tend to be seasonal. North and west Cornwall is a low-wage, low-skill economy. The old West Country staples – fish, defence and mining – no longer work. St Ives may have its Tate Gallery but it, Newquay, Redruth and St Austell also have the feel of depressed areas. They are badly enough off to qualify for both Whitehall and EC assistance.

It sounds like territory ripe for Labour's new regionalism. SuperJohn Prescott is set to come haring down the A30 bearing new constitutions, new agencies and maybe even new money. He and junior minister Richard Caborn have lately been criss-crossing the country, raising expectations, promising White Papers and bills. A regional development agency in every pot before Christmas and – somewhat more ten-

tatively – a regional chamber or assembly in the new century.

Cornwall, north Devon and Plymouth, too, could be a lot more prosperous. The same could be said in spades about Sunderland, Workington and the Cumbria coast, Bootle, Sandwell, Barnsley... and Kingston upon Hull, one of whose MPs happens to be John Prescott. That is why regional economic development is back on the policy agenda, along with the growing anxiety that English regions may start to resent all the political attention being paid to the Scots and Welsh.

New Labour thoughts, so far, seem to be running in the direction of the old formula of more government – new regional development agencies, budgets and powers as yet unspecified, plus "chambers" nominated by councils which might eventually become fully fledged elected assemblies.

But more government is just what Cornwall does not need. Not long ago, a meeting was convened in Newquay for local players in the game of economic development. Representatives from 70 different organisations turned up. Most were from the state and quangoland: district councils, the county, English Partnerships (the land development body), the Rural Development Commission, the Government Office for the South-west (based in Bristol), training

and enterprise councils, Business Links; the chambers of commerce and the variety of bodies spawned by the private sector, notably South West Enterprise, which is chaired by Sir John Banham, the former director-general of the CBI, and an energetic Cornwall booster.

So many voices make for cacophony. Thinking of investing in Cornwall? Where do you turn? What public money there is available for business development (a tidy sum in total) is split into penny packets. If a memorial were to be built to the follies of Thatcherism, this fragmentation of the public sector would be it. She came to power vowing to roll back the state. Instead she split it into a hundred pieces, rendering it ineffective without saving much money.

Prescott will fail unless he is prepared to do some drastic pruning in the West Country garden. The "South-west", the Standard Region as drawn in Whitehall's charts, stretches 230 miles from Swindon in Wiltshire down to the long, bony Lizard. This, 30 years on, is still the region created for the purposes of National Planning. It has no identity: the burghers of Bournemouth look to Southampton and London rather than Bristol, the region's nominal "capital". Truro and Trowbridge bave little in common.

A much more realistic "region" comprises the two counties of Devon and Cornwall, with headquarters in Plymouth. But before Mr Prescott gets down to redrawing the maps, he needs to ask just what it is these areas want and what, before central government gets into the picture, they can do for themselves. He needs to be convinced that the peripheral areas are doing all they can to maximise employment and opportunity. Do they have what John Banham calls "anger and ambition"?

Here's an anecdote from Plymouth, still struggling to come to terms with the ruination of Devonport naval dockyards. This summer, the Royal Shake-

speare Company are in residence, quite a coup. But the troupe proposes to use a parrot and a dog live on stage. Agitation on the Labour-dominated city council benches. "Cruelty!" is the cry. The play must not go on.

The tale was told to me, with much shaking of the head, by one of the few bankers west of Bristol left with the kind of discretion to decide on business loans without referring to London. "There's no conception of what it takes to turn a city economy round."

The anecdote is about more than the pettiness of local politics. It shows that unless everyone in a region or area sings from the same sheet – and the message has to be "pro-jobs, pro-business" – no chopping or changing of the government machinery is going to make a difference. In Devon and Cornwall they complain about the money pumped into Scotland and Wales to subsidise investment there. They envy, too, the "one-stop shop" for inward investors offered by the dedicated development agencies in those countries. But they miss the fact there is a Scottish and a Welsh political will to provide a home for investors.

When global competition for foot-loose capital is so fierce, you cannot afford to be picky. When even the prosperous German region of Lower Saxony is willing to send its leader on gladiatorial tours of the United States seeking new investment, English regions will have to fight hard.

But pick up the *Western Morning News* and read the letters column. The antagonism towards Europe shown by protesting Cornish fishermen seems widely shared – despite all those Lib Dem votes. You still hear talk about Francis Drake and the dago... hardly an appealing location for companies to trade from within the European Union.

The West Country has lots of retired people attracted by the mild climate and cheap housing. The green-welly brigade is powerful, too, when it comes to objecting to roads across moorland

or preventing the release of agricultural land for factories and warehousing. The parochialism factor is high and growth-friendly councillors are few. How else to explain, for example, why it is impossible to get container lorries into the otherwise excellent deep-water harbour at Falmouth. (Too many houses were built too close in and lorries cannot turn.)

It would be naive to imply that regions hold their own economic destinies in their own hands. Capitalism tends not to like geographical peripherality – though Ireland is a case everyone is studying hard these days. Decisions taken in far-off corporate boardrooms can hit hard locally. Earlier this year, British Airways suddenly switched flights to Plymouth from Heathrow to Gatwick – robbing the West Country of access to many international connections. It's a major event when capitalists imagine space in terms of proximity to hub airports.

A plausible and prosperous economic future can be imagined for the West Country, beyond tourism. Schools are good, crime is low. There is already a number of thriving small to medium-sized firms. Some dynamic players are newly on the scene, among them Sir Geoffrey Holland, vice-chancellor of Exeter University and ex-Whitehall permanent secretary. Since leaving the civil service he has been a whirlwind of regional initiatives. He wants to deepen the regional pool of professional skills – a precondition of business development. A plan to found a branch university in Penzance is well ahead.

Big firms are few but there are high-tech firms in Torquay and Plymouth. Business movers and shakers, too, such as Mike Perry of pharmaceutical suppliers Stafford Miller, are full of enthusiasm. Ex-Navy officer turned developer Charles Howson talks colourfully about Devonport's commercial future.

Landowner Michael Galsworthy, friend of the Duke of Cornwall (Prince Charles) publishes a list of firms doing good business. "There are John Hall types to come out of woodwork," he says, referring to the North East's Mr Big. But Newlyn is the second most important seaport in England, yet Cornwall does very little seafood processing. (Lack of sites for plant and inadequate roads are among the reasons.)

So, if some ingredients are there, what can Prescott bring? One is administrative reorganisation, "a lot of squashing" is how Michael Galsworthy puts it. This will be bloody. It will mean getting councils out of economic development, rewriting their land-use plans, abolishing English Partnerships, and dismembering the Rural Development Commission. In their place would be established a one-stop shop: a powerful regional development agency with a budget of at least £100 million. If it did not actually plan – economic planning is seriously out of fashion – it would have to "envision" – decide what kind of skills training should be provided for, and how the West Country should be marketed.

A regional agency would have to lobby Railtrack and the Department of Transport over infrastructure. Sir John Banham envisages it marshalling the regional contribution to welfare-to-work schemes and the provision of jobs for unemployed young people – provided (he adds) the receipts from the well-off regional utilities such as water and power are recycled in the region. But could such a powerful agency exist without democratic supervision, especially in the West Country where Liberal Democrat pieties about participation are strong? One thing is certain. In the South-west, the advent of regional councils or assembly people would be the death of any serious effort to pick up an underperforming economy and population and kick-start them on the growth path.

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## Off with his head, and other sweet revenges

The BBC really ought to show more consideration. Of course, I can understand the attraction to the editors of morning radio shows of running news items with similar themes next to each other. It means that the bulletins flow a little better, and that the presenters' links are easier to write. But these smart folk should remember that some listeners – those who use the radio to wake themselves up – are still barely conscious, drifting in and out of sleep. At such times the different stories leech into each other, the characters of one becoming weirdly entangled in the plot of the other. When this happens, otherwise respected, intelligent men and women can go through the whole of the waking day insisting that the Taliban have just torn through east Texas, killing 13 in a trailer park.

So yesterday, before I had properly awoken, I was convinced that something very odd was happening both in Washington DC and Jeddah.

The first of the two stories concerned Paula Jones, the young lady who claims that – in 1991 – Governor Clinton, unasked, showed her his

distinctive manhood. Ms Jones had just won the right to take the President to court for sexual harassment. Meanwhile there was an interview with the lawyer for Frank Gifford, the hereafter brother of the Australian nurse allegedly murdered by two British nurses in Saudi Arabia.

The lawyer revealed that Gifford, as the closest relative, was quite keen on the death penalty, should the nurses be found guilty. Since Islamic law (as practised by the Saudis) allowed him to choose the punishment, he was quite happy to go with the flow. Nice guy. Actually, I'm convinced that he will wait until after the verdict, and if the nurses are found guilty, he will then take the blood money instead. But I'm an optimist.

Anyway, somehow Paula Jones and Frank Gifford got mixed up in my semi-somnolent synapses. The smart lawyer was now speaking on behalf of the unwilling willy-watcher. Should Clinton be found guilty of whipping down his boxers uninvited, and suggesting the kind of treatment that decent people reserve for their lunches, then Ms Jones would have



**David Aaronovitch**

the right – as the aggrieved party – either to accept blood money, or to insist on the relevant amputation in front of the Capitol building. I then awoke, absolutely convinced that Paula Jones (or maybe Frank Gifford) held the future of Bill Clinton's cod firmly in her hands. One word from her, and a bloke with a floppy head-dress and nasty grin would spend next weekend sharpening his scimitar.

I must admit that I thought this over-barsh. Most women over 20 can, I suspect, recount an occasion when a toger has been revealed to them inappropriately, though not with evil intent. As long

as it is put away again as soon as the mistake is discovered, many will be inclined to forget about it.

What stuck in my mind was the principle of the thing: the innate superiority of the Saudi system. Imagine a situation where – instead of there being the present cumbersome system of fines, community service, cautions and probation for offenders – all crimes were punishable either by blood money, or by retaliation in kind, to be exacted by the victims themselves.

Those unfortunate readers who are already familiar with my own domestic obsessions will realise what is coming.

My current bête noir is made up of three types of people: dog-owners who permit their animals to "foul the public footpath" (actually, "permit" is a very poor word for those crepuscular pooch-lovers who take their animals out at twilight or dawn with the express purpose of fouling the footpath); litterbugs who dump their badly sealed rubbish bags just where the foxes and cats can get at them, or who think that the mere existence of a bin in someone else's front garden is an invitation to stuff their

unfinished McDonald's inside; and – finally – cyclists who ride on the pavement, or on paths in parks that expressly bear the legend "no cycling".

In the case of the dog-owners, I would demand the right to dip the shoes of the miscreants in faecal matter of my own choosing. Either that or their dogs would be beheaded in a televised ceremony live from Battersea.

With litterbugs, their victims (which might consist of entire neighbourhoods) would be given *cane blanche* to place whatever malodorous rubbish they could find, anywhere in the premises or on the person of the offender. Pavement cyclists would be made to stand in the middle of a fairground dodgems rink on Bank Holiday Monday, while old-age pensioners collide around them at speed.

This inspiration may have occurred to me in a peculiar way, but I sense that the present Home Secretary may not be entirely unsympathetic to it. Actually I heard him on the radio the other morning, talking about his starring role in the new Spielberg movie.

Miles Kingston is on holiday



## A good time for Clinton to get away from it all

This may be hard to believe in Britain, where President Bill Clinton's stopover in New Labourland today is the climax to an all-star European tour in praise of the transatlantic relationship, but as far as the American public is concerned he might as well have stayed at home. From the moment Mr Clinton learnt, shortly before he met Boris Yeltsin in Paris, that he had lost his appeal against a lawsuit brought by a certain Paula Jones, his trip – and any domestic kudos that might have accrued from it – was effectively at an end.

Thereafter, the all-powerful US television networks, the all-pervasive American talk shows, not to speak of downtown bars, were buzzing with only one question: would Ms Jones's case come to court before Mr Clinton left office in the year 2001, and if it did, could he survive. Mr Clinton is accused by Ms Jones of sexual harassment when he was governor of Arkansas and she was a junior state employee. And if her highly graphic allegations are true, the charge of sexual harassment seems lenient.

Ms Jones's claims are far from proven. They have not even been fully investigated (by the courts, that is, though journalists have had a good go). The judgment that went against Mr Clinton this week simply allows the case to proceed. However, the fact that he went as far as the Supreme Court to argue that it should not, at least so long as he was President, showed how seriously he took it.

That Mr Clinton should arrive in London burdened by allegations of the sort that have driven not a few British politicians from office is a small irony and could cast a shadow over a visit that honours Tony Blair. But the coincidence also highlights the differences between two men who are often compared.

Both of the post-war generation, both married to high-flying lawyer wives, both of a leftish disposition, both prepared to embrace policies more commonly associated with the right, if only in white office. Mr Blair and Mr Clinton have much in common. They even share some advisers.

On the matter of women and sex, or – in more guarded parlance – family values, however, there is a difference. Mr Blair campaigned as a happily married man with three children who warned his ministers and MPs to be about the political risks of dalliance. Mr Clinton was elected President despite exposure about his private life which included at least one undenied case of adultery and the suspicion – never doused – of more.

Yet neither man's reputation seems to have had the effect on voters, especially female voters, that might have been predicted. Women voters had a generally less favourable view of Mr Blair than men did, while with Mr Clinton the so-called gender gap was reversed. Polls on Mr Blair suggested that women found him a hit too good to be true; their use of the adjective "sarny" suggested mistrust. With Mr Clinton, though, whose evasive answers about his private life and much-reported indiscretions seemed to offer ample cause for mistrust, there was no women-voter problem at all, on the contrary. One simplistic reason may be the same reason why Mr Clinton enjoys such apparent success with women in general: his



Mary Dejevsky

Americans have one big question for their President. And it is not about today's visit to Britain

almost small-boyish manner, and his perceived sincerity.

Whenever his sins, Mr Clinton gives the impression of knowing what would have been right. Whether for reasons of political expediency – as some would say – or not, he and his wife have stayed together and brought up their daughter with a degree of commitment that has met every requirement of conservative America.

Mr Clinton, moreover, had one advantage over fallen British politicians and those of his compatriots who fell foul of the gossip columns. He over claimed to embody family values, he only aspired to try. But something else sets the two leaders apart. Mr Blair has a degree of personal confidence that comes from power. But Mr Clinton has a natural aura of authority, a personal magnetism, that seems to compensate for many failings. Insiders may complain of his indecisiveness and openness to lobbying, but this is not a face the public sees.

They sense his power, they respond to his genius for finding the right word and the right register for any occasion and any individual – from state leader to homeless flood victim. They admire his mastery of complex subjects, from arms control to social security, that compares with the legendary ability of Margaret Thatcher to marshal an argument.

All this is why, despite the threat of a messy and damaging lawsuit brought by one of those rare women who did not succumb to his charms, Mr Clinton might just escape – not through the lenience of any judge, but by his own lights. Dubbed "slick Willie", he has shown a great facility for extricating himself from apparently hopeless situations.

He could settle out of court – a move that could leave him financially crippled when he leaves office and seems a tacit admission of guilt. He could persist in his denials, tough out the lawsuit and save some dignity by testifying in private; but he would have to be confident of his innocence. Perhaps, though, he could take the hazy approach, go on television to admit Ms Jones's charges, insist that his pre-presidential private life has no effect on his ability to fulfil his duties and assert that – unlike certain other presidents in similar situations – he has neither forced his accuser's silence nor bought her off. His combination of power and charm, sincerity and contrition could win the day.

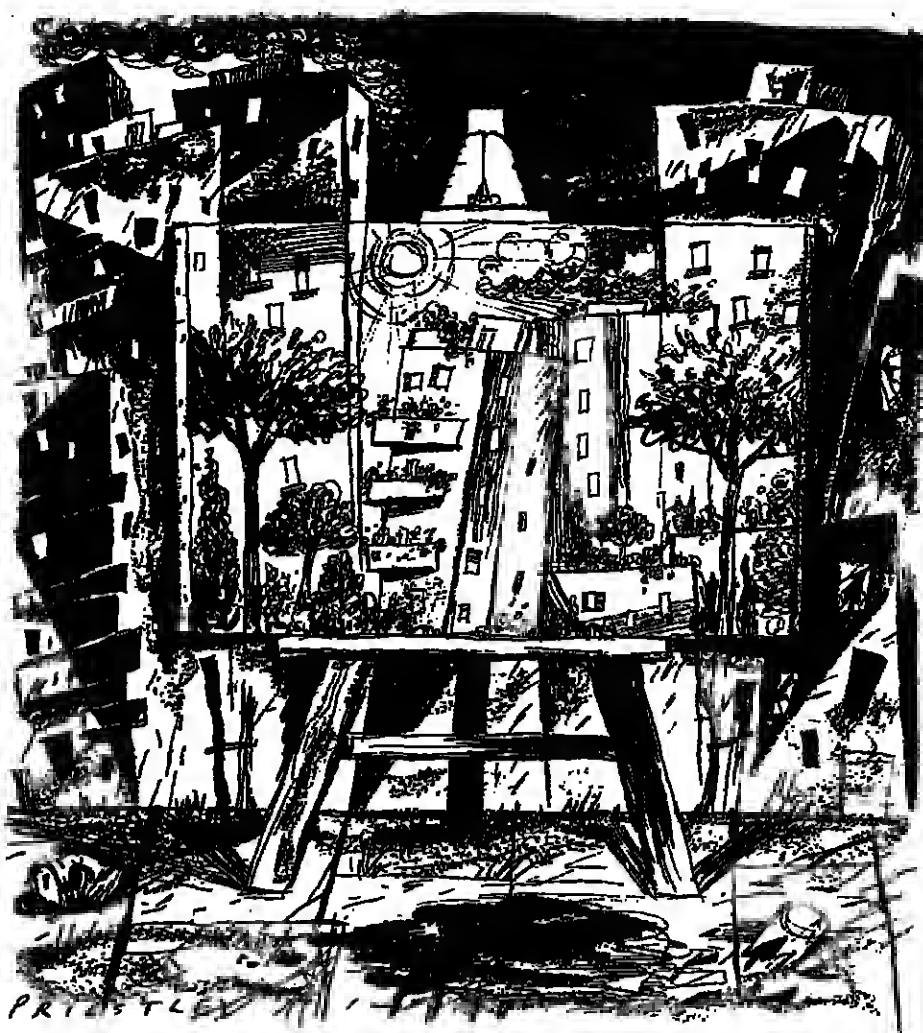
Certainly, Ms Jones's damages would be greatly reduced from the \$700,000 she is now claiming for loss of reputation. Mr Clinton already has a quorum of women on his side who ask why it took Ms Jones more than two years to mount her accusations.

The President's only difficulty would be his earlier insistence that he had over knowingly met Ms Jones. Lying, as we have recently learnt from the US military, is considered a more heinous crime than adultery, and a cover-up, as Richard Nixon learnt to his cost, is considered worse than the crime.

When Tony Blair plays host to Clinton in London today he will doubtless take comfort from his own clean bill of moral health. But however grave Mr Clinton's political difficulties, the US President is not to be underestimated. As a practitioner of the political arts, he still takes a lot of beating.

## A good home's where the art is

by Polly Toynbee



New bricks and mortar have failed time and again to make life better for the poor. Local arts projects can make the difference

nuclear-hombed-out world from the days when Lambeth was a nuclear-free zone. Often the budgets were hijacked by disabled black lesbian writers co-operatives and their ilk who alienated the communities they were funded to serve.

Community arts have always had a raw deal. Planners regard them as an afterthought, the cherry on the cake, a few window-boxes to gild their housing schemes. They fight off the idea that a significant part of their regeneration budgets might go to anything so frivolous and expendable. At the other extreme, the "real" artists fight off any deprecations on their budgets for a lot of amateurish dabbling which is plainly social work and therapy, not "real" art at all. This report appeals to both sides to tilt their attention towards both the artistic and social value of good community arts. The arts establishment has to learn to value participation, genuinely, as the community needs its skills, and offers in

exchange the chance to cultivate a new audience. Planners need to ask themselves exactly what is to be renewed if not the people themselves?

The report bristles with examples – some large, some small but telling, such as the resident artist on a desolate estate who gets everyone to design their own ceramic number plate, leading to much wider participation. Two part-time artists in a down-and-outs' hostel transformed the place and for the first time made the residents feel valued and useful, so there was no vandalism of the new elegance they had helped create for themselves. One crime-ridden estate decided they wanted to be known for something other than crime, so through arts, drama and local history projects they are transforming not only the reputation but the reality of the place.

Surveying all those who have taken part in arts projects, people talk of how their lives

have been changed. Eighty-four per cent feel more confident about what they can do, 80 per cent have learnt new skills, 91 per cent have made new friends, 86 per cent want to do more projects, 63 per cent have gone on to help in other local activities and 73 per cent say they are happier since being involved.

These are the personal impacts, but the report measures the effect on crime and fear of crime, on improving relations between the young and old and on reclaiming the unemployed.

The chief executive of Making Belfast Work, the government urban regeneration scheme, told a conference recently that if he was starting

all over again now, he would begin with culture: it had proved to be the key transforming process in all that he had done. He gave an example of a play from a Shankill drama group about Protestant Irishmen who died on the Somme, which was so strongly acclaimed that the Catholic Falls Road arts centre invited them to perform there, something unthinkable until then. He said, "Too often urban regeneration focuses on the power and resources; cultural development is essentially about the why."

We have learnt little since the errors of the Sixties: new bricks and mortar have failed time and again to make life significantly better for the poor. As the Joseph Rowntree Foundation recently reported, it is the quality of community life that makes or breaks an area as much as the buildings.

This report shows how arts projects draw in people who never otherwise get involved. Anyone who has sat through interminable tenants' association meetings about lampposts and council agendas knows exactly why so few people take to community action; those who do are often the sort of busy-bodies who alienate others.

But arts schemes open new doors and windows. The disaffected young who would never go near youth clubs are easily enticed with music, art and drama. Art is exciting, it is status, it is inclusive, it is not do-goodery by others, nor does it proceed through quarrelsome committees. It has the power to transform anyone anywhere.

This is about what arts can do for society instead of the arts holding out a begging bowl for more funding. At a time when at long last we have a government thinking deeply about unemployment, crime and social alienation, here is research about something that works and costs relatively little. There will always be large numbers of people who cannot work for one reason or another – because of where they live, their physical state or their age. No one is likely to offer them more money... but they could be offered a better chance of happiness none the less.

There is no reason for thinking that if you give a chance for people to think or live.

The arts of thought or life will suffer and become rougher. And not return more than you could ever give.

(Louis MacNeice)

We arrived at the top, broken-winded by drink and fags, crippled by crap footwear, and knackered by the 45-degree gradient

john walsh

I'VE BEEN spending the week en famille in a cottage in the Brecon Beacons, nestled snug as dormice in the bowl of the Olchon Valley. The children dangle up a succession of tiny waterfalls and sit on tree boughs in silent contemplation of the mossy landscape, as if planning to write *The Prelude* at some later date. A huge harvest moon accompanies your homeward trek from the area's tiny pubs, and at night the Plough hangs directly above the cottage roof as if it has suddenly decided to descend a few million miles to startle the humanoids soaring rapturously under the ancient beams. Wherever you drive along the tiny Indian-file-only lanes, an elaborate courtesy prevails among road-users. When you meet other motorists, it takes only a second to decide, bilaterally, who should reverse to the nearest passing place and who should be allowed to cruise by. The transaction is invariably genial and altruistic, leaving both parties wreathed in smiles, as if road rage were something unknown beyond, say, Hereford. It must be something in the atmosphere. Even the sheep grazing precariously on the steep hillsides seem to bleat apologetically, like several butlers trying to interrupt a tryst in the drawing room.

The only thing you have to fear around these parts are your fellow metropolitans. We set off the other day to walk on Offa's Dyke, the great earthenwork that used to separate Celtic Wales from Anglo-Saxon Herefordshire. It rears out of the countryside like a box of Toblerone, overlooked by the looming slab of the Black Hill, but hardly looks threatening, so off we went, four grown-ups, three children, one baby and one dog. Expecting little in the way of a challenge we pulled on gumboots and carried cameras and bottles of sparkling Malvern, and sang amusing hiking songs. Half an hour later, we arrived at the top of the dyke, broken-winded by drink and fags, crippled by crap footwear, knackered by the boiling Welsh midday noses blistered by the boiling Welsh midday heat. We were a tragic sight as we collapsed in a heap. The baby started a steady squalling that threatened to last for hours. The dog, delighted by its energetic walk, circled the top of the dyke. One of our number decided it was time for a group photograph...

It was at precisely this moment that the other walkers arrived, three sets of them – proper walkers, the real thing. I looked at their tense, furrowed, 100-mile-a-day faces, their

Timberland boots and Karrimor rucksacks, their Bang & Olufsen compasses, their Heckler & Koch binoculars, their crampoms and iron-ration packs and Ordnance Survey maps and copies of *No Through Road*... They looked at our little party – the ill-advised Versace jackets, the £80 Paul Smith strides flecked with mud, the inappropriate gumboots. The baby's squalls rose a notch in volume. The dog decided it was time for a mid-morning dump on a state outcrop. "Smile everyone!" said my friend with the camera. We posed, a ghastly crew of townies, triumphant at having got to the starting point of a trek. Behind us the real walkers were backed up like a funeral procession in the Olchon Valley lanes, waiting for us to get out of the way. "My God," breathed one of them, in the unmistakable tones of the Bayswater Road, "these bloody tourists..."

AT THE Hay Festival, where variously favoured draughts of culture (Duncan Grant, Beethoven Quartets, the Welsh Gospel, Cyril Connolly, the architecture of molecules and the disestablishment of the

Church of England) have been bled down the throats of bookish punters all week, the most amusing exchange came during a session with Will Self.

Self was there to chat about *Great Apes*, his new novel which pulls a lot of satirical strokes by reimagining the human world as populated by chimpanzees all except for one man.

He was on excellent form. Clad in skinny denims, he loped on stage with a handful of Heineken cans and smoked languidly throughout his interrogation by one Elizabeth Young, who had stepped in at the last moment to replace Suzanne Moore.

An unusual interviewer, the enterprising Ms Young didn't so much ask him questions about his oeuvre as advance her own views on the history of satire and pursue what seemed a private agenda of psychosexual dreams. Revealing that she had once entertained notions of becoming a black panther, she confided that she felt "a certain empathy" with Self's fictional descriptions of inter-species mating.

She especially liked the prospect of an encounter with an alpha-male primate. Did Self share her view? God no, he said, apes are five times stronger and more aggressive than humans. They'd tear you apart. What a horrible idea.

"How interesting, Will," she purred, "that your worst nightmare should be my most intense fantasy..."

An unspoken invitation seemed to hang in the air. "Oh all right," said Self coolly. "But shouldn't we have dinner first?"

IN THE last few days I have met, for purely professional reasons, two American legends – a Hollywood one and a Tin Pan Alley one – and they've both been big surprises. Tony Bennett, the hawk-nosed crooner, explained to me the mysteries of Oriental perspectives in realist painting (for which I was obviously very grateful) and Jerry Lewis misquoted T S Eliot's *Four Quartets* at me ("It's all about simplicity, John – a condition that costs nothing and everything...") for which I was even more grateful. It means, I'm afraid, that I will now spend months dragging Zen aesthetics and Modernist poetry into every conversation, just for the chance it gives me to say, "Tony Bennett explained it to me once. Apparently, in Shinto culture..."

I've never been a big name-dropper. No really. I can't stand that kind of affection. I abhor factitious familiarity. Matey allusions to famous friends cut no ice with me, as I was pointing out to Prince Rainer and Bob Dylan only the other day. I am, however, a connoisseur of other people's name-drops. I have nothing but admiration for a lady friend who occasionally murmurs the words, "When I was going out with Warren Beatty..." and thus draws every female face towards hers in mute inquiry. ("And how exactly...?") And she did too, for about 48 hours, 20 years ago. I love the way a famous male chum in movie circles does an elaborate Reverse Namedrop, as if to de-glamorise the encounters he reports. "Yeh, I had lunch on Sunday with this actor. Have you heard of him? You know who I mean by Tom Cruise?" But my favourite moment of mishandled nomenclature was some years ago in Ireland. I was standing with a girlfriend at her family home in Donegal. Every mealtime, her brother – a glamorous entrepreneur just home from Chicago or Sydney or Moscow – would regale the company with stories of what he said to Jagger or how he dined with Makarova or had a guitar made for him by Paco Pena. I watched in fascination as the father of the house smiled at his offspring's giddy familiarity with celebrities, and I thought, my God, the old man's going to trump his son's one day. Finally he did. "That reminds me of the time I was lecturing in Genoa," said the father. "I was having a drink with Cardinal Montini – that's the present Pontiff, by the way – and he said to me, 'Jack...'"

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## Arnault row may jeopardise Guinness deal

Nigel Cope  
City Correspondent

The proposed £24bn merger between Guinness and Grand Metropolitan was dealt a potentially fatal blow yesterday when a simmering dispute between Guinness and the key shareholder, the luxury goods group Moët Hennessy Louis Vuitton, broke into the open.

change of ownership of Guinness and therefore trigger clauses in the joint venture arrangements signed between the two companies three years ago.

Under those agreements, LVMH has the option to purchase, at net asset value, Guinness's interest in all their existing joint ventures if there is a change of control. LVMH also says it would have the right to repurchase the 34 per cent stake in Moët Hennessy from Guinness at a discounted price. The LVMH statement

said it would exercise its rights if the deal goes ahead.

If the attempt succeeded, LVMH would operate the joint ventures independently and have the right to market and distribute Guinness brands in key markets such as China, France, Hong Kong, Singapore and the US for the next 10 years.

Guinness dismissed the claims saying: "We are completely confident that there is no basis for this assertion." The company said it had had five teams of lawyers working on the deal and would not have

pressed ahead with the merger plans if it had not been confident that it would withstand legal challenge. However, it is likely that the claims will seriously delay the merger which could now be subject to lengthy litigation in French courts.

While some analysts described Mr Arnault's action as little more than "spoiling tactics", others said it could place the Guinness-Grand Met merger in serious jeopardy. "I think it will delay and disrupt the deal with lengthy legal proceedings in prospect," said Charles Win-

ston, drinks analyst at HSBC James Capel. "The chances of it going ahead in its current form are now much reduced." Another said: "Guinness will have to consider the cost of giving up control of its brands that are distributed in some of the world's key drinks markets. It would seriously dent its income stream."

Analysts were speculating that Guinness might pay LVMH to agree to not exercise its rights, with some mentioning a figure of £1bn. However, John Beaumont of Merrill Lynch said Mr Arnault's broadside did not represent a "deal-breaker". He said the challenge was unlikely to stand up in court as the clauses in the joint venture were included to act as a deterrent if Guinness was the subject of a hostile takeover, not an agreed merger. "It is more likely that this is an attempt by Arnault to try to get Guinness and GrandMet back around the negotiating table," he said.

Yesterdays statement from LVMH hinted at this saying: "LVMH... does not believe that shareholder value will be maximised by creating a conglomerate combining certain businesses with no common thread."

Mr Arnault had wanted Guinness to separate its beer activities from its spirits business to create a spirits giant in conjunction with LVMH. "This proposal remains open for discussion," the statement said.

Shares in both Guinness and GrandMet fell by more than 2 per cent on the news. Guinness fell 14p to 582p while GrandMet closed 15.5p lower at 581p.

Mr Arnault will chair the annual LVMH shareholders' meeting in Paris tomorrow. His relationship with Guinness has soured in the past year following his outspoken remarks on trading and share price performance.

Some analysts said he was trying to ensure that if the merger did receive regulatory approval then at least there would be significant benefits for LVMH.

"He does not appear to be against consolidation... just the way in which Guinness and GrandMet have struck this particular deal," said Nick Williamson at Credit Lyonnais Laing.

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## Chancellor selects Bank committee

Diane Coyle  
Economics Editor

The Chancellor has made three out of the four outside appointments to the Bank of England's new Monetary Policy Committee, subject to last-minute hitches.

All three are highly-respected academics, and will do much to reassure doubters in the financial markets who feared Gordon Brown would make politically-motivated appointments. The Government is still looking for a business person for the fourth slot, but is having trouble finding somebody whose other activities would not conflict with giving advice on interest rates.

The three chosen so far are David Currie, a working Labour peer and Professor of Economics at the London Business School, John Fleming, an economist who is Warden of Wadham College, Oxford, and Charles Goodhart, a Professor of Finance at the London School of Economics. All are acknowledged monetary policy experts, who would prove very acceptable to the Bank of England itself.

The appointments could still fall at the last hurdle because it has proved harder than expected

to make sure the members of the committee would face no conflict of interest with their other work. Like many well-known academic economists, the three men undertake some private consultancy work.

The potential conflict of interest with private sector work is the reason the fourth post, whom the Chancellor wants to be a business person, has also turned out to be difficult to fill. Candidates who were initially on the list such as Sir Christopher Hogg have had to be ruled out. Nor has the Chancellor been able to find a suitable female candidate for the committee.

The Treasury said yesterday that a formal announcement of the committee's membership would be made "shortly".

The first meeting of the Monetary Policy Committee will be held on 5-6 June, with an immediate announcement of its decision on interest rates on 6 June. The Government intends to have the four committee appointments at least announced in time.

The four outside posts would, he expected to carry a salary equivalent to full-time pay of around £125,000, although they will probably not be full-time



David Currie, 50, Professor of Economics at London Business School and working Labour peer. He worked as an economist in the City before becoming an academic. A member of the first Treasury panel of 'wise men' in 1993 while head of the IFS's centre for economic forecasting.



John Fleming, 56, Warden of Wadham College, Oxford, Chief economist at the European Bank for Reconstruction and Development 1991-93. Worked at the Bank of England for most of the 1980s, as economic adviser to the Prime Minister from 1984-1988.



Charles Goodhart, 60, Professor of Banking and Finance at the London School of Economics. Now in semi-retirement from the LSE, he is one of the country's foremost experts on monetary policy. Author of 'Goodhart's Law', which states that as soon as policy-makers start to tame a measure like the money

jobs. They carry a three-year term.

The other members of the Bank's Monetary Policy Committee are internal: Eddie George, Governor of the Bank of England; Mervyn King, the Bank's chief economist; and Ian Plenderleith, an executive di-

rector. Two deputy governors will also belong to it, but the current deputy, Howard Davies, is to move to head the replacement for the Securities and Investments Board, while the second post can not be filled until it is formally brought into being in the new Bank of England Act.

The Bank's latest Inflation Report, published two weeks ago, indicated that the internal members of the Committee will be inclined to raise interest rates again before long. The Report concluded that, despite a favourable short-term inflation outlook, "inflation is more like-

ly than not to be above the target two years or so ahead". There might, however, be grounds for delaying the next move until after the Budget and the Chancellor's Mansion House speech. Not only might Mr Brown alter the stance of fiscal policy, he will also restore

the inflation target. This will be "at least as tough" as the current 2.5 per cent or less, aides promise, but might take a different form.

The date for the Budget will be announced officially on Monday, with 2 July now looking the likeliest date.

## Woolwich windfall up to £1,600

Tom Stevenson  
Financial Editor

Woolwich members are in line to receive share windfalls with an average value of £1,600 when the building society floats in July, a much bigger bandout than they had previously expected. Estimates of the value of the next share bonanza emerged as Woolwich started writing to its 2.5 million members yesterday with details of their allocations.

Analysts said yesterday the recent rise in the value of bank shares meant the average allocation of 658 shares per member would be worth more than

£1,600 at a probable flotation price of 250p. The minimum allocation of 450 shares would be worth £1,125 at that price.

In January, Woolwich said it expected a range of 175p to 200p, putting a price tag of just over £3bn on the society. The latest calculations mean Woolwich will be worth more than £4bn when it joins the stock market.

Issuing its listing particulars, Woolwich said it expected to make pre-tax profits of £210m in the six months to June, before a £26m charge to cover the cost of its stock market flotation. Admitting to being overcapitalised, the society also hinted at a share buyback, promising

to "consider ways to return capital to shareholders".

As with the Alliance & Leicester and Halifax flotations, members who do not want to hold on to their shares will be able to sell them through a series of four auctions to institutions. Unlike the other floats, however, the auctions will not take place until after first dealings on 7 July in order to maximise the price raised for members.

Commenting on its short-term trading outlook, Woolwich was upbeat about prospects for future growth in its lending, investing and insurance businesses. It was also optimistic about the outlook for the UK

housing market, predicting house prices would grow by 6 per cent in 1997.

The latest information from Woolwich coincided with yet another increase in the price at which Halifax shares are expected to close on the first day of dealings next Monday. Clients of the spread betting specialist, IG Index, were yesterday placing bets that implied a price for the shares of between 740p and 750p.

Halifax's original estimate was that its shares would start trading at between 395p and 450p. At the latest forecast, members stand to pocket an average windfall of almost £2,500.

## Sir John Egan claims hotel prices threaten London's tourist trade

Rachael Jolley

Inflation-busting price increases over the last three years by hoteliers in the capital could result in the loss of business to other European cities, warns Sir John Egan, chairman of the London Tourist Board.

In a private letter sent to hoteliers in London, Sir John wrote: "I simply ask you, when setting prices, to recognise the danger that London faces of once again creating the perception of being expensive."

"I fully appreciate you have many needs to satisfy, including

those of shareholders and employees, but the recent overall outstanding success of London appears to be in jeopardy."

London hotel prices have continued to rise this year with supply still outstripping demand. A recently published survey by Arthur Andersen showed that the average London room rate was £91.24 in 1996 up from £80.49p in 1995 - a rise of 13.4 per cent.

The London Tourist Board claims that hotel room rates in the capital have soared by 31 per cent over the three years to the end of 1996, considerably above

inflation of 9 per cent. Sir John also warned that, the continued appreciation of sterling meant that anticipated room rates for this year in mark and franc terms would be 70 per cent above 1993 prices.

Research by the London Tourist Board found that tour operators were reporting London had dropped from being the most popular European city destination to the number three slot because of higher prices. London was rated as the second most expensive city in Europe for hotels, after Rome in the survey.

comment on the deal or on speculation it involved job losses among the 300 employees.

Some 6,500 small shareholders have seen their investments wiped out in the collapse. Many thought Wakebourne shares after a national newspaper made the company "tip of the year" in 1993. The shares had peaked at 320p four years ago.

Tony Scott, from the Wakebourne Shareholders' Action Group, said: "The receiver has accepted an offer which was apparently on the table the day before the news appeared in the press. If the sale had gone to a proper tender we may have received more money. Now shareholders aren't going to get a chance to voice their opinions on this or quiz the board."

## Beijing Enterprises 1,276 times oversubscribed

Stephen Vines  
Hong Kong

Today's flotation of Beijing Enterprises looks certain to join the South Sea Bubble and the crazy market in 17th Century Dutch tulip bulbs in the record books of stock market manias. The Hong Kong-listed investment company makes its debut this morning after an issue of 150 million shares to raise just £148.5m attracted applications worth a massive £18.9bn.

The rush to apply for shares

was so frenzied, market sources said, that it threatened the very stability of the colony's banking system. Trading in Beijing Enterprises is expected to be so frantic that the Hong Kong Stock Exchange is making arrangements to prevent the computerised trading system from crashing.

The Chinese-controlled investment company is coming to market with a record 1,276 times oversubscription rate. That means the vast majority of prospective investors will collect

their refund cheques today from the Museum of Chinese Historical Relics, a venue apparently chosen without any sense of irony.

Most analysts predict the shares will soar three times above their issue price, although few believe they will be able to sustain such an extraordinarily high rating, which would represent something approaching 60 times the company's earnings.

The massive windfall from bank accounts to draw

share applications caused temporary liquidity problems as overnight rates soared to 26 per cent. It is quite possible that Beijing Enterprises will make almost as much from the listing process as it will from the modest HK\$1,872m (£148.5m) raised from the sale of the shares. However the company announced it was making the unprecedented concession of not cashing cheques for unsuccessful applications of fewer than 8,000 shares.

The avalanche of applica-

tions for Beijing Enterprises is a reflection of the current fad for newly issued red-chip counters. Red chips are companies controlled by Chinese mainland corporations or conducting the bulk of their business in China.

Investors are buying political influence. Beijing Enterprises, for example, has been flaunting its connections with the local government in the Chinese capital and suggesting it has the political clout to broker deals, which others cannot match.

Similar claims were made by

Gile Enterprises, whose share issue was oversubscribed by 892 times. Also a holding company, it is closely tied to government entities in Southern China.

An editorial in the *Hong Kong Standard* newspaper described the scramble for Beijing Enterprises shares as an indication that China understood Hong Kong people far better than the British ever did. It said the new sovereign power was busy posting a huge dollar sign, understood by all and signifying few doubts about the future.

## Chief strikes deal to buy Wakebourne

Chris Godsmark

The chief executive of Wakebourne, the computer services group which announced its collapse on Tuesday, is understood to have struck a deal to buy the company off the administrative receivers.

The move, for an undisclosed sum, comes just two weeks after Frank Emerson was believed to have offered to take Wakebourne private for 1p a share. The shares were suspended on 12 May after Wakebourne revealed it was in advanced discussions which could lead to an offer at "substantially below" the share price of 10.5p, valuing the group at that stage at £2.4m.

It was unclear why Mr Emerson, who has been with Wakebourne since the outset in 1984, decided not to proceed with the previous offer. Sources close to the company said yesterday Bank of Scotland had by then started to bounce its cheques. Wakebourne had debts of almost £10m when it called in the receivers, of which about £5m was owed to creditor companies who are now unlikely to receive any cash. The Bank of Scotland was owed about £4.2m at the time of the collapse.

Last night neither Wakebourne nor the receivers would

STOCK MARKETS									
Index	Close	Day's change	Change(%)	250/97 High	1996/97 Low	Yield(%)	Index	Close	Day's change
FTSE 100	4681.60	+19.80	+0.4	4683.90	4056.60	3.50	Nikkei	14720.00	+100.00
FTSE 250	4508.00	+1.30	+0.0	4729.40	4488.40	3.80	Dow Jones	7100.00	+10.00
FTSE 350	2265.60	+7.90	+0.3	2272.10	2017.90	3.52	Hang Kong	14540.16	-34.48
FTSE SmallCap	2300.24	+0.43	+0.0	2374.20	2178.20	3.05	Frankfurt	3674.36	+16.50
FTSE All-Share	2223.81	+7.21	+0.3	2230.98	1989.70	3.49			
New York	7383.41	+37.50	+0.5	7345.91	5932.94	1.71			
Tokyo	19889.89	-153.61	-0.8	20489.75	17303.86	0.821			
Asia	14540.16	-34.48	-0.2	14540.16	12056.17	3.011			
Frankfurt	3674.36	+16.50	+0.5	3674.36	2846.77	1.511			

INTEREST RATES									
Index	1 Month	3 Month	6 Month	1 Year	Long Bond	(%)	Index	1 Month	3 Month
UK	6.34	7.0	7.22	8.05	7.28	8.14	US	5.59	6.09
US	5.59	6.09	6.73	6.66	7.03	8.84	Japan	0.50	0.91
Japan	0.50	0.91	2.05	3.24	-	-	Germany	3.13	3.22
Germany	3.13	3.22	5.82	6.40	6.69	-			

CURRENCIES									
£/\$	£/DM	£/¥	£/A\$	£/HK\$	£/NZ\$	£/S\$	£/R\$	£/C\$	£/IN\$
1.6289	-0.12	1.5128	0.6139	+0.04	0.8610	1.6311	-0.91c	1.5120	0.6131
0.6131	+0.34	0.8614	1.6311	-0.91c	1.5120	0.6131	+0.34	0.8614	1.6311
1.6311	-0.91c	1.5120	0.6131	+0.34	0.8614	1.6311	-0.91c	1.5120	0.6131
0.6131	+0.34	0.8614	1.6311	-0.91c	1.5120	0.6131	+0.34	0.8614	1.6311

OTHER INDICATORS									
Index	Latest	Yr Ago	Index	Latest	Yr Ago	Index	Latest	Yr Ago	Index
Oil Brent \$	19.23	-0.78	19.10	RPI	166.3+2.4pc	150.9	19 Jun		
Gold \$	343.95	+1.0	390.70	GDP	110.8+0.9pc	-			
Gold £	211.15	+0.76	258.24	Base Rates	-6.25pc	6.75	-		

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'Guinness and GrandMet have gone out of their way to present this deal as a merger of two equals but there are several measures by which this does not hold true'

## LVMH chief aims to get his pound of flesh

The large spanner that Bernard Arnault threw in the direction of the Guinness-GrandMet merger yesterday was clearly designed to grab the attention of his own shareholders as much as anything as they gather today for the annual meeting of LVMH in Paris.

That said, the capacity of this agile Frenchman to make life miserable for Tony Green and George Bull should not be underestimated. He may not have the means to produce a showstopper and his dream of a grand three-way global drinks alliance encompassing Moët Hennessy, IDV and United Distillers may be just that. But he is clearly intent on leveraging the maximum amount out of the deal.

Mr Arnault may actually have a point. It may well be true that the clauses in the joint venture agreements between Guinness and LVMH were included to protect Guinness in the event of a takeover not a merger, but Guinness may be being economical with the truth. Guinness and GrandMet have gone out of their way to present this deal as a merger of two equals but there are several measures by which this does not hold true. For a start GrandMet will control 53 per cent of the merged company if the deal goes ahead. And the new chief executive and head of spirits will both come from GrandMet.

LVMH says that even if Guinness is not breaking the letter of the joint venture agreements it is certainly breaking their spirit. This, they say, will be enough to win the day in a

French court where this issue will be decided. Interestingly it seems that Guinness has not consulted any French lawyers. If Mr Arnault's challenge suppers GMG Brands before it has even taken to the water, there are going to be some very embarrassed City lawyers who will be wondering if they have really earned their fees.

The response of the GMG Brands camp to anything that threatens to interrupt the smooth flow of their path to merger is to go into denial. The deal does not raise competition concerns because GMG Brands says it does not. Likewise Mr Arnault does not have a case that needs answering because GMG Brands says so.

Guinness and GrandMet face more serious regulatory problems than they admit to and they have now been hit by a French broadside. They may yet win the day but not before Mr Arnault and the regulatory authorities have extracted their pound of flesh.

### Benefits pour in on Anglian investors

Here's a poser: what sort of business raises its dividend by twice the amount that profits have increased and then says its customers will have to foot the bill for the windfall tax? Tricky one, eh?

It never rains in Anglian Water country, or hardly ever, but it pours all the time if you

are a shareholder. Yesterday the Anglian board sprayed another £93m in the direction of shareholders, made millionaires out of the men who run Hartlepool Water and then pleaded poverty when it came to the windfall levy.

Clearly the water companies are either past caring or beyond shame. Or perhaps both. As the first water company to report, Anglian is in a difficult position. It is hard to set the pace for the rest of the sector while simultaneously explaining why the windfall tax breaches all the rules of natural justice.

But if Anglian supposes it can empty out the coffers before Gordon Brown gets there it is labouring under a terrible misapprehension. On the other hand, if it believes it is within its rights to pursue a legal challenge to the windfall tax then it shows a lamentable lack of judgement. There are many things wrong with the levy, as this column has repeatedly stated. But all governments have a right to raise tax revenue the way they see fit.

The argument that customers have done as well as shareholders out of privatisation of the water industry is also a flimsy one. Anglian may be one of the better performers – careful husbandry of resources means that it has never had a hosepipe ban despite being the driest part of the country. But customers have also paid for that with the highest water bills in the land.

Set against Anglian's objective of reducing dividend cover to two times earnings, the

£40m of efficiency savings and the £2m it is providing to hale out customers having difficulties with their bills begins to look like a drop in the ocean.

The interesting question is whether those water companies which are even less deserving of sympathy will match the payouts on offer from Anglian. The betting is they will.

### Look out for the South China Sea Bubble

Stand by for the South China Sea Bubble. The impending handover of Hong Kong to the Chinese has sent the colony's stock market into a frenzy and when investors are in that sort of mood the scent of turning flesh is rarely far behind.

The latest manifestation of this hysteria is the public offering of shares in Beijing Enterprises Holdings which closed yesterday 1,276 times oversubscribed. Put another way that amounts to £19bn of cash chasing £148m worth of shares.

When dealings start today the shares are expected to race to three times their issue price fuelled by the acute shortage of stock and the savage scaling down of applications.

For all that, Beijing Enterprises, the latest "red chip" to come to market, still amounts to a massive speculative punt.

The company has little in the way of assets and even less in the way of contracts

but boy, when China opens up its markets, Beijing Enterprises will be the business to have your money in. Just consider its impeccable political credentials, being the financial arm of the Beijing local authority.

The parallels with the company that gave its name to the original South Sea Bubble are interesting.

That too was floated on a tidal wave of expectation – in its case that slave trading would be massively extended.

It too had impeccable political credentials – George I agreed to become its Governor and handed over a large chunk of the national debt to its safekeeping. It too sucked in thousands of investors. The rest is history.

The only sure-fire winners from the flotation of Beijing Enterprises are its sponsors, led by Morgan Stanley Asia, and the company itself, which will probably make as much on overnight deposit as the entire offer will raise in new capital.

The other sure-fire winners are those who can get their money out before Beijing Enterprises suffers the same fate as Denway, another red chip which floated a modest 658 times oversubscribed and soared briefly only to fall to earth with a burp.

With unintended irony, investors who miss out on Beijing Enterprises have been told to pick up their refund cheques at the Museum of Chinese Historical Relics. Maybe that will also become the resting place one day for the share certificates.

## Anglian claims tax will hit bills

Chris Godsmark  
Business Correspondent

Anglian Water, one of the largest privatised water companies, yesterday accused the Government of dishonesty over claims the windfall utility tax would not lead to higher customers bills.

The comments came as Anglian unveiled an agreed £19.5m takeover bid for Hartlepool Water in a move which was unexpectedly supported by the industry watchdog, Ofwat.

Stepping up his attack on the windfall levy, Anglian's finance director, Chris Mellor, said he could not rule out making a legal challenge. He said the levy would undoubtedly hit customer bills in the next price review. "In the long run customers are going to have to pay for this tax. There's no getting round that and to say it won't hit customers is just dishonest."

Anglian brushed off suggestions it could easily afford to the tax, despite kicking off the water company reporting season with a 15 per cent hike in its dividend payout. "This doesn't indicate we've got money to burn. The notion we've got money swirling round is just nonsense. If we have to pay the tax we'll have to borrow to do it," Mr Mellor said. Headline pre-tax profits fell by 12.8 per cent in the year to the end of March after exceptional charges of £40.8m. Pre-exceptional profits rose by 7.7 per cent, to £257m.

The exceptional charges included £20m in restructuring costs to fund 300 job losses and £18.8m to cover problems with Anglian's international operations. Of this, £7.3m was to cover write-offs from its ill-fated joint venture in Brazil.

The write-offs represented 60 per cent of the £12m which Anglian had paid into the venture.

"It's not an episode we're particularly proud of," Mr Mellor admitted. Asked whether the £12m had gone missing altogether, he said: "There are some pretty complex legal issues. Whether we'll ever get to the bottom of what really went on I don't know. I can't rule out that at any point in time we will take legal action."

Anglian said the bid for Hartlepool Water, which has been a quoted company since 1946, was part of its move to exploit embryonic competitive opportunities in the industrial market. Hartlepool employs 60 staff and has 90,000 customers. Mr Mellor was surprised Ofwat had not asked for the bid to be investigated by the Monopolies and Mergers Commission. Anglian had agreed to cut Hartlepool's charges by 5 per cent from 2001.

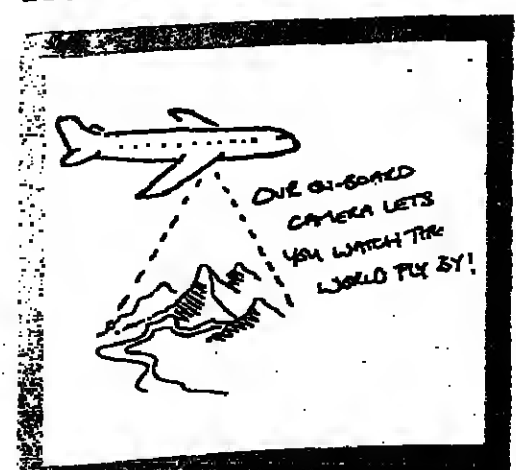
The deal will net almost £1.9m for Hartlepool directors, the bulk of which will be shared between Keith Hall, managing director, and John Bateman, finance director. The 266p share offer price is 40 per cent above Tuesday's closing price.

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## Former Co-op executive in court over role in £1.2bn break-up bid



Facing the music: Allan Green (left), the former Co-op executive who was sacked for his part in Andrew Regan's £1.2bn break-up bid for the CWS, made a brief appearance in court yesterday for his role in the affair, writes Nigel Cope. He attended a preliminary hearing at the City of London Magistrates Court for the private prosecution brought by the CWS against him, Mr Regan and David Lyons, Mr Regan's business partner. Mr Green,

who sat outside the court during the hearing, is accused by the CWS of theft of confidential documents. Accompanied by the criminal lawyer David Sonn, Mr Green refused to discuss his role in the bid. "I'm making absolutely no comment," he said. Mr Regan and Mr Lyons did not attend the hearing, which was adjourned until 18 June to give the defendants' lawyers more time to prepare.

Photograph: Adrian Dennis

## Thorn investors get cash back

Thorn, the rentals group that split from music business EMI last year, yesterday became the latest in a string of companies to return cash to shareholders. The owner of the Radio Rentals brand announced it would give back £87m, 14 per cent of its market capitalisation, to shareholders just a day after EMI hatched a similar plan.

The news will cheer investors who have watched Thorn's share price more than halve from the 408p level it traded at when the company split with EMI last August.

The return, which will be finalised after July's annual meet-

ing, involves the issue of one new B share for every existing ordinary share, which Thorn will offer to buy back. Mike Metcalf, chief executive, said the buyback would enhance earnings per share on a pro forma basis by 12 per cent over 12 months.

Profit before tax of £171m was virtually unchanged from last year. Current trading difficulties were largely due to weaker-than-expected trading in the US rental-purchase business and Radio Rentals in the UK, Mr Metcalf said.

Steps have been taken to improve profits with the closure of 90 Radio Rentals stores and

promises that action will be taken on marginal businesses in continental Europe, following talks with employee representatives. In addition, Mr Metcalf said he had received approaches for the Danish retail chain Fona.

Although Thorn is seeking ways of cutting costs in Europe, it is to continue investing in the roll out of Crazy George's, the rentals shop aimed at "the more financially constrained". Mr Metcalf said the UK would eventually support more than 275 outlets, and up to 25 shops would open this year.

Investment column, page 25

## Twice as many staff work overtime

Diane Coyle  
Economics Editor

The biggest increase in flexibility in the workforce has come through extended overtime rather than short-term contracts or part-time work, according to a new study. Contradicting the conventional wisdom that temporary and part-time jobs have become more important, it found that more than half of all employees now worked a variable number of hours per week.

The research by the Policy Studies Institute, commissioned by the Department for Education and Employment, shows that the proportion working paid and unpaid overtime has more than doubled since the mid-1980s.

Other types of use of flexible labour have also increased during the past decade, but far less dramatically, and the number of workers employed on short-term contracts remains very low. Only about 4 per cent of employers in both manufacturing and services make extensive use of patterns of work such as temporary contracts. The exception is the public sector, where it has become a fairly common practice.

The proportion of people in temporary jobs climbed from 4.3 per cent in 1984 to 6.5 per cent in 1994. The proportion working part-time rose from 20.4 per cent to 25.4 per cent. But the proportion working variable hours soared from 29.7 per cent to 52.5 per cent.

The report found that part-timers were more likely to be women, while men were more likely to work overtime.

Very few employers used more than one type of flexible employment pattern. Those that did tended to be those where labour costs formed a big proportion of total costs.

Economics column, page 26

## Wenger steps up as Lyons quits Douilton

Sameena Ahmad

Stuart Lyons, Royal Doulton's combative chief executive, was ousted yesterday after 12 years at the helm of the world-famous chinaware company. Peter Whally, finance director, said the decision was by mutual agreement and would be followed by a review to improve profitability and management of costs within the company.

The company declined to disclose the compensation that would be paid to Mr Lyons, who had a two-year rolling contract paying £175,000 a year.

In a statement ahead of yesterday's annual general meeting, Doulton warned about the impact of the strong pound and said trading at the start of the year had been "somewhat disappointing". Shares in the company slid 6 per cent to 261.5p.

Sources close to the company believe that Mr Lyons was asked to leave after the Doulton board rejected his proposals for an acquisition in Germany or the US. Doulton, which emerged from media group Pearson in 1993, said it had been in discussions regarding a possible transaction but would not proceed. The group said interim results would include a £1.6m charge relating to the deal.

Analysts welcomed the news of Mr Lyons' departure, but were disappointed that his successor would not be from outside the company. Mr Lyons will be replaced by Patrick Wenger, Doulton's managing director, who has been with the company for 37 years.

One analyst, who did not want to be named, said: "Stuart wasn't suitable as a chief executive. He didn't appear to be driving the company forward in the right way and was painting a rosy picture to outsiders. But I would like to have seen a new broom."

The group's trading statement prompted analysts to trim their profit forecasts. Kleinwort Benson has its numbers from £19.8m to £18.2m for 1997. Doulton said sterling was "adversely affecting both export sales and sales to tourists visiting the UK". Start-up costs relating to gas supply to the group's Indonesian manufacturing plant would also affect first-half results and would delay full production levels at the plant by three months. However, the company said order books from Indonesia were well above expectations.

Analysts said a new focus on costs was needed and the group was struggling in difficult markets.



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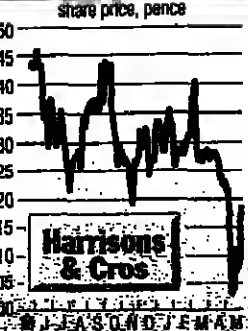


## market report / shares

## Data Bank

FTSE 100	4677.5	-4.1
FTSE 250	4508.0	unchg
FTSE 350	2263.9	-1.7
SEAQ VOLUME	673.5m shares	
	43,497 bargains	
Gifts Index	95.82	-0.05

## Share spotlight



## Bid hopes for Harrisons as directors raise stakes

Harrisons & Crosfield, the chemical to timber group, put on its best display for months as break up hopes were reinforced by director buying.

Two directors and the wife of another picked up 491,000 shares at prices up to 114.5p with the shares jumping 10p to 119p. At Harrisons' yearly meeting on Tuesday chairman George Paul gave the clearest hint yet that the group would be reshaped. Some observers took the view a demerger was being planned. But at a luncheon presentation yesterday at stockbroker Panmure Gordon the view gained ground that the group regarded its building, timber and chemical operations as likely to form the backbone of the reshaped business. The agriculture and food operations seem to be earmarked for trade sales.

Mr Paul, addressing shareholders, talked about "radical action" being required and

said Harrisons was examining a range of options to "maximise the group's future growth prospects and to enhance value for shareholders".

Director Mike Parker led the buying, picking up 400,000 shares; chief executive Bill Turcan acquired 85,000 and the wife of director Michael Hartnall settled for 6,000.

Harrisons' shares have been in a ragged retreat as profits have failed to inspire confidence. They have fallen in the past year from 146p to 102p a few weeks ago. Around Christmas 1994 the price topped 200p.

Footsie ended a four-day winning run with a 4.1 fall to 4,677.5. At one time it was above 4,700; then the stock market started to fret about weakness in gilts and a sell-off in Paris. With index constituents Grand Metropolitan and Guinness suffering from the LVMH retaliation and New York for once offering lit-



## MARKET REPORT

## DEREK PAIN

stock market reporter of the year

tle encouragement, Footsie was at one time down 10.9 before a few late buyers appeared.

Grandmet topped the list of blue-chip fallers, giving up 15.5p to 581p; Guinness lost 14p to 582p. Financials were subjected to a little profit taking but a money share, Mercury Asset Management, managed to top the Footsie leader board with a 30p gain to 1,442.5p, just below its peak.

Astonishment over the latest expectations for Halifax's debut on Monday was another factor restraining activity among financials. Talk the opening price could nudge

750p seemed, in the eyes of many, to be straining credibility and most institutions, essential players in the seaway scenario, are felt unlikely to buy if they feel the price has become too inflated.

De La Rue, the security printer, said its year's results would be announced next week and the shares quickly fell 23p on worries of a disappointing performance. Interim profits were down and reorganisation costs of £15m have been signalled. The shares closed at 476p, off 15.5p. A few years ago they were above 1,000p.

Another profit warning from the WEW retail chain left the shares off 2.5p at 15.5p and

Harvey Nichols, the Knightsbridge store, offered a sad sign of how department stores have lost their more glamorous ratings, falling 1.5p to 281p. The shares, which touched 372.5p, were placed at 270p in April last year.

Win Morrison, the supermarket chain, edged ahead 1.5p to 152p; stockbroker Charterhouse Tilney was thought to have placed 5 million shares.

Hartpools Water splashed 62.5p higher to 257.5p as Anglian Water produced a 260p bid. Shell, enjoying a round of investment presentations, gained 6p to 1215.5p. As the market closed little Emerald Energy announced it should approach its oil target in "the next few days". The shares had already gained 0.5p to 5.75p.

Airtours, the holidays group, bounced 15p higher to 1,068.5p, on its move into the controversial timeshare busi-

ness. BZW believes this could enhance profits by up to £30m. Berkeley, the housebuilder, rose 25.5p to 690.5p on SBC Warburg support and Logica, the computer group, put on 14p to 864p as NatWest Securities switched its stance from reduce to hold.

Takeover speculation continued to flow around the JD Wetherspoon pubs chain with the shares forming 37.5p to a 1,517.5p peak. This month they have risen 152.5p.

Thomas Potts, the printer, shaded 0.25p to 11.75p. Talk persists it will buy Coalite, the smokeless fuel business from troubled Anglo United, unchanged at 1.75p. Entrepreneur Nigel Wray has 22 per cent of Potts and is known to be anxious to complete a deal to beef up the group. Any Coalite deal will involve a fund raising exercise. Eurasia Mines jumped 30p to 250p on a signalled bid from QEX of Canada.

## Taking Stock

Century Inns is expected to announce tomorrow the acquisition of around 100 pubs from Pubmaster, including the Tap & Spile managed house chain. The deal could cost £30m and may be funded through a rights issue. It would lift the Century estate to more than 500 outlets and represent its first big move into managed pubs. Century, run by former brewery executive Alistair Arkley, is one of the pubcos formed to take advantage of the Beer Orders which forced large brewers to cut their tied estates.

A profit surge at Wiggins, the property group, is forecast by stockbroker Greig Middleton. It expects profits to have climbed £3.9m to £4.9m in the year ended March and then to reach £7.5m this year. The shares are 9.25p.

## Alcoholic Beverages

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Banks, Merchant

Stock	Price	Chg	%
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0

## Banks, Retail

Stock	Price	Chg	%
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0
Barclays	10.00	0.00	0.0

## Breweries, Pubs &amp; Rest

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Building/Construction

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Building Materials

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Chemicals

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Distributors

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Engineering Vehicles

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Extractive Industries

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Food Manufacturers

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Gas Distribution

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Health Care

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Household Goods

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Investment Companies

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Leisure &amp; Hotels

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0

## Oil, Exploration

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0

## Oil, Integrated

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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Adnoca	10.00	0.00	0.0

## Other Financial

Stock	Price	Chg	%
Adnoca	10.00	0.00	0.0
Adnoca	10.00	0.00	0.0
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# Compass agrees to £120m takeover of US catering firm

Clifford German

Compass Group, the fast-growing international contract catering group, yesterday announced its takeover of the US through an agreed \$195m (£120m) takeover of Daka International.

Daka is a quoted company which provides contract meals and vending facilities for schools and colleges, factories and offices in 34 states in America.

The cash payment includes \$110m worth of debt, which Compass will assume. Compass does not envisage any problem in gaining the necessary approval of two-thirds of Daka's shareholders, and envisages the deal will be completed by the end of next month.

Allen Maxwell the president and chief executive of Daka, will join the board of the Compass division in the US.

Daka has been in business for more than 20 years and has 710 catering contracts in 34 states.

It also owns two retail restaurant businesses, Champps and Fuddruggers, which are being sold to Daka's existing shareholders and are not included in the deal with Compass.

The businesses that Compass is buying had turnover of \$280m and yielded operating profits of \$17.5m last year. The acquisition is expected to be earnings neutral for Compass this year and earnings enhancing next year, Roger Matthews, the group managing director, said.

Compass is already established in the US market through Chartwells, its specialist supplier to UK schools and colleges, and through Professional Foodservice Management, which was acquired in August last year.

The latest acquisition will enhance Compass' existing buying power in the US and increase its clout in bidding for new contracts in a business where size, experience and

proven ability to cater for special needs at a keen price are all important.

Almost three quarters of the Daka turnover is in the education sector. This means that once it is on board it will more than double Compass' turnover in the education market and confirm it as number four, possibly number three, in the US market.

The total US market for contract catering is worth an estimated \$21bn, about 70 per cent of which comes from schools and colleges, said Mike Bailey, the chief executive officer of the US division of Compass.

Earlier this month Compass reported an 18 per cent growth in profits world-wide to £56m on a turnover of £1.17bn, including profits of £17.8m in the US, and the group narrowly failed to enter the FTSE 100 index at the last quarterly review in March. Compass shares were up 0.5p to 67.5p yesterday, valuing the group at £2.17bn.

# Thorn prepares for a tough year

## THE INVESTMENT COLUMN

EDITED BY SAMEENA AHMAD

### Wolverhampton & Dudley Breweries: At a glance

Market value: £435m, share price 646.5p

Five-year record	1994	1995	1996	1997
	Full year		Half year	
Turnover (£m)	281	287	289	116
Pre-tax profits (£m)	38.3	43.5	43.3	18.2
Earnings per share (pence)	900	95.5	95.7	18.8
Dividends per share (pence)	13.9	15.3	17.0	6.0

#### Operating profit, 1997

Tenants 19%

Share price, pence

750

700

650

600

550

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450

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300

250

200

150

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#### Share price, pence

750

700

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600

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# Celltech profits delay

Sameena Ahmad

Celltech said yesterday that the failure of its lead drug for septic shock would mean the group would now not be profitable until 2000, two years later than expected.

However, Peter Fellner, chief executive, said the group's follow up treatment for the bowel condition, Crohn's disease, would replace at least a third of the value the company had lost after it was forced last week to abandon the sepsis drug, which was being developed in partnership with Bayer.

Dr Fellner said Bayer had returned the rights to the Crohn's disease drug and that Celltech had begun discussions with

companies specialising in the gastrointestinal field.

He said that he expected to sign up a licensing partner on more favourable terms than with Bayer. "Septic shock was first, second and third on Bayer's list of priorities. Bayer had only agreed to develop the Crohn's drug on condition that the sepsis drug worked."

Dr Fellner said that pivotal trial data on the group's leukaemia drug being developed with American Home Products was expected this year.

The group said that the value would also come from other more early stage drugs including a new approach to the treatment of asthma. Dr Fellner said that the group had five or

six years cash left at current burn rates. He added that the septic shock episode validated the group's strategy. "You can't run a pure biotech with low risk products and we do have high risk and innovative drugs. But we try to balance that with a low risk financial strategy, by having major partners who take on the costs of research."

Results for the six months to 31 March, announced yesterday, showed that the group had £41m cash. Underlying losses rose from £5m to £5.9m after research costs climbed £1.5m higher to £10m.

The group's shares, which were over 600p before last week's announcement, firmed 4.5p to 338.5p.

## INDEPENDENT EXPERIENCES

# Fly to Barcelona and stay for two nights FROM £143

## debonair

The Independent and Independent on Sunday in association with debonair have arranged a super value short break to Barcelona. From just £143 you can fly to Barcelona with debonair and stay for two nights in one of six specially chosen hotels.

One of Europe's most cosmopolitan and avant garde cities, Barcelona is the perfect summertime destination. To experience Barcelona at this special discounted price simply call the number printed below or complete the coupon.

The offer includes return flights from Luton airport and two nights accommodation in one of the hotels listed. All flights must be booked by 30th June and all flights must be taken by 29th September 1997. The schedule of the available flights is printed below. All prices are per person sharing a twin room.

Debonair operate a fleet of modern British Aerospace whisper jets. Each aircraft is furnished with elegant and comfortable seats in one class. Daily scheduled services are operated from London Luton airport and all flights are no smoking. Their dedicated check-in area at London Luton airport is exclusive to debonair passengers, ensuring hassle free check-in and smooth connections.

London Luton airport is easily accessible by rail using the Thames Link service from Kings Cross.

London Luton - Barcelona	Daily 0900 arr. 1210
	1820 arr. 2130
Additional flight on Saturday	1600 arr. 1910
Barcelona - London Luton	Daily 0815 arr. 0935
	1810 arriving 1930
Additional flight on Saturday	1955 arr. 2115

### How to Book

Booking could not be easier, simply call Travel Plus - ABTA: E1228, ATOL: 3470 - on 0171 208 4444 between 9am - 6pm, Mon - Fri and 10am - 4pm, Sat - Sun and quote The Independent offer. Alternatively, complete the booking form and send to Travel Plus who will then call you to confirm your booking details. Payment can be made using all major credit cards and/or personal cheque made payable to Travel Plus Ltd. All prices are correct at time of going to print.



Barcelona's greatest monument, Gaudi's Sagrada Família

### The city of Barcelona

Fortune smiles upon Barcelona. The heart of Catalonia was blessed with a spectacular setting. The city is sprinkled along the shore of the Mediterranean, and into the folds of mountains which slide gracefully into the sea. This preposterously pleasant setting has been decorated with wit and audacity. Barcelona is unique.

Barcelona is an easy city to explore with many of the major sights within walking distance of each other. Wandering around and soaking up the streetlife, between regular stopovers in bars and cafes is an enjoyable way of getting to know the city and is the best way to absorb quintessential Barcelona.

At night, Barcelona erupts with an array of nightlife. Waterfront cafes stay open until 5am, and a host of designer bars and clubs all combine to provide an exotic night life experience.

The cities Olympic revamp of 1992 has

opened up the city to the sea front and created an impressive and stylish setting which provides a host of choices for the first time visitor to indulge in some al fresco dining.

In stark contrast to Barcelona's modern Olympic facilities is the city's greatest monument, Antonio Gaudi's Sagrada Família. Begun over a century ago and yet to be completed, the Cathedral still reaches its crescendo above the city.

Artistically, Barcelona has many options. Gaudi, Picasso, Dali and Miro all have strong links with the city. The Museu Picasso, housed within a Medieval Gothic palace, is a testimony to the years Picasso spent in the city amongst Catalonia's avant garde.

The magical mountain of Tibidabo is the peak that presides over Barcelona, protecting the city from the interior. From the summit where a funfair and the Temple of the Sacred Heart jostle for command, you will experience an extraordinary panorama of an exceptional city.

### The Hotels

**Hotel Santa Marta - 2 Star - 2 nights from £143.** Simple, unsophisticated accommodation, but nevertheless clean and comfortable and furnished to a respectable standard. Situated near the port of Barcelona in the old town.

**Hotel Aragon - Superior 2 Star - 2 nights from £155.** A pleasant, clean and comfortable hotel situated in one of the main streets of Barcelona with easy access to any point in the city.

**Hotel Roma - 3 Star - 2 nights from £155** A small hotel with traditional character, situated a short metro ride from the historic centre of Barcelona.

**Hotel Oriente - 3 Star - 2 nights from £155** A listed building and the city's oldest hotel. Centrally located, the hotel has a large and historically ornate breakfast room.

**Hotel Rialto - Superior 3 Star - from £159.** A lovely traditional hotel with superb location in the historic centre of Barcelona.

**Hotel Gran Catalonia - Superior 4 Star - 2 nights from £169.** A modern style hotel located in the best shopping area of the city.

Please complete the booking form below and send it to: The Independent Barcelona Offer, Travel Plus Ltd., Quay Level, Europe House, 1 East Smithfield, London E1 9AA. You will be contacted on receipt of your form to confirm your reservation. If you have any queries please call 0171 208 4444. The Independent cannot guarantee availability.

Title	Initial	Surname
Address		
Postcode		
Day Tel	Eve Tel	
Names of passengers		
Date of departure from Luton Airport		
Date of return from Barcelona Airport		
Name of hotel		
How many nights do you wish to stay?		
Preferred flight time (out)		
Preferred flight time (return)		
Credit card no.		
Expiry date		



## business

## Working towards secure jobs

We have been worrying for all of this decade about insecurity in the world of work. The dark side of flexibility, it dates back to the start of the recession in 1990, when for the first time since the 1930s the ups and downs of the economic cycle impinged upon white-collar and professional workers. Their risk of redundancy increased slightly, although to nothing like the much higher risk still faced by manual and unskilled workers.

The flap has continued long after the recession ended, leading to delicious ironies like the publication by the *New York Times* of a special book, *The Downsizing of America*, just as the US unemployment rate headed sharply downwards. However, it is only now that a great deal of serious academic research on exactly which workers are insecure and why is starting to emerge.

The Conservative government was keen to stress that the insecurity was mainly in the mind, pointing to the decline in the number of redundancies since the recession ended, and the fact that average tenure in jobs had not fallen all that much since the mid-1970s. Although both points were true, it persuaded nobody. The reason is becoming clearer with every new study into the detail of the jobs market. It is that it is almost impossible to generalise about people's experience of work and unemployment; averages are pretty useless as a guide.

On the face of it, a new report published today by the Policy Studies Institute backs the old government's case. The research, commissioned some time ago by the Department for Education and Employment, shows that the types of "insecure" work on which we have tended to focus, part-time and temporary jobs, have increased but not all that much. Most extra flexibility has come from the use of overtime, and there is nothing particularly new and Nineties about that, even if overtime is being used far more extensively than in the past. The report comments: "In most workplaces the majority of the workforce is full-time on fixed hours."

Even though the widespread use of overtime means more and



Diane Coyle

more of us feel thoroughly exploited, don't spend as much time with our family as we would like and suffer more stress, it does not amount to serious economic insecurity in the same way as only being able to work on a short-term contract. But rather than leap to the conclusion that the Tories were right to say insecurity is in the mind, the right conclusion is not that insecurity is unreal but that it is a minority phenomenon. Insecurity and economic exclusion are suffered by very specific groups.

The PSI's report is complemented by research currently under way at the LSE's Centre for Economic Performance by Paul Gregg and Jonathan Wadsworth. They have looked behind the figures for the typical length of time somebody is in a job. As the former social security minister Peter Lilley pointed out, typical job tenure has declined only a little.

This disguises several diverging trends. First, for any particular age group, jobs have become shorter in duration; but older

people stay in jobs longer, and the workforce is ageing.

Secondly, mothers' job tenure has actually increased because of maternity rights. Women with children are taking advantage of the legislation that forces employers to hold their job open for them after maternity leave. This is closing the gender gap in typical job length, with women now staying in jobs virtually as long as men.

Men and women without children have seen a sharp decline in the length of the typical job. Controlling for age and sex, the number of jobs per working life has increased quite sharply. For example, a male aged 16-19 would have held 1.38 jobs on average in 1975 but 3.07 in 1995; for women aged 35-39 there has been a much smaller proportionate increase from 6.29 to 9.04 over the same period.

Another piece of the jigsaw is the by now well-known fact that one in five households in the UK does not have anybody in work. This sounds terribly dramatic, but it consists of completely different groups: pensioner households, lone parent households and a minority with two or more adults without jobs.

The moral that is emerging from the detailed studies is that there are no big answers to the problem of insecurity and poverty; what is needed is a series of small, targeted solutions. In fact, it is now possible to pick out four groups of poor and marginalised people who are most in need of help from the new Government. They are: single pensioners; lone parents; the long-term unemployed; especially the young.

and the minority of men who are in work but in insecure jobs.

Each group obviously needs different kinds of measures. The elderly who are poor and excluded are those subsisting on the basic state pension, just about keeping up with inflation. They will only get extra money if the Government decides on a means-tested increase in the pension.

There has been a lot of discussion about how to get single parents out to work, focusing on the disincentive effect of the over-rapid loss of benefits once somebody finds a job. This misses the point that the biggest work disincentive to this category is the cost of childcare. The only measure that makes any sense is paying for nursery and after-school care for their children.

The long-term unemployed are one of the Government's priority groups, although it has got itself hung up on the mantra of helping 250,000 young people. There are not this many of them who have been out of work for more than six months. The resources should be refocused on all the long-term unemployed to minimise the "deadweight loss", the fact that the state will end up subsidising many people who would have found a job anyway. The most cost-effective approach is helping people with their search for work by using job centres to match specific people with specific vacancies, but in any case what matters is getting unemployed people on to the first rung of the jobs ladder.

That leaves the hardest task, improving the lot of those who have had, insecure jobs. The PSI research suggests that this is not as widespread as the headlines would have us believe, but concludes that better information is needed. The LSE research points to young men as the most vulnerable. Here is where the Government needs to target its effort, but the solution is likely to be a matter of painstaking detail. Insecurity might not be the massive problem we once imagined, but even so there is no quick fix.

\* *Employers' Use of Flexible Labour*, Bernard Casey, Hilary Metcalf and Neil Milward, Policy Studies Institute, 01202 715555, £16.95

## Changes in working patterns

	1984	1994
Proportion of employees in temporary jobs		
Small firms	82	64
Big firms	33	66
All	43	65
Proportion working part-time		
Small firms	340	372
Big firms	133	254
All	204	254
Proportion with varying hours		
Small firms	297	525
Big firms	317	583
All	313	563

Source: Policy Studies Institute

## Out without a chance to retire before the bell

## PEOPLE &amp; BUSINESS

Alas, we hear that the Lutine Bell has tolled for one of the best-known faces at Lloyd's of London, whose job was to fill in the names of famous ship losses with a feather quill pen.

David Burling, who has performed the role of loss book clerk for 25 years, has been forced to stand down within months of retirement, claiming that he was given no notice that his historic position was to be instantly terminated.

The decision to decommission the post was taken by LLP, the former Lloyd's publishing division, even though Mr Burling was within 11 months of his expected retirement date.

LLP, which was sold to its management in December 1995 for £24m, has been addressing its financial Pimlico line by going through a heavy cost-cutting exercise ahead of a planned stock market flotation.

Mr Burling, who first started work in the intelligence department of Lloyd's in 1957, was the loss book clerk who wrote in careful script the titles of ill-fated vessels like Exxon Valdez and Estonia, among many others.

And staying with things nautical: fishing fleet is about to make another foray into UK waters via a rather circuitous route involving the flotation of drug group, PharmaMar.

PharmaMar, which makes drugs from marine plants, plans to float in the first half of next year either on the London main market or on Easdaq, capitalised at around £150m.

The company has blood ties with the Spanish fleet which helped found the group in 1987, and which owns a 4 per cent stake. Manuel Fernandez Sousa, chairman of Pescanova, the second-largest fleet in the world, is also the brother of PharmaMar's chairman, Jose Maria Fernandez. Pescanova is quoted in Madrid at a market capitalisation of more than 10bn pesetas (£18bn).

Privately owned PharmaMar, which employs around 30 people, uses the boats of its big brother to fish for samples to use in drug



For whom the Lutine bell tolls: Lloyd's has cut its loss book clerk

Let nobody say Gordon Brown is not a radical. The date of the Budget will be announced formally on Monday when Parliament reassembles after its half-term holiday. (Whoever thought it was not a family-friendly institution?) But we can reveal that Budget day will not be a Tuesday - for the first time since Geoffrey Howe in 1980. Given the Chancellor's liking for an early start, perhaps it will even be in the morning. The smart money is on Wednesday 2 July.

But even more daring, the colour of the cover on the Red Book to accompany the Budget is likely to be changed. The old sun-dried tomato red will go. Sources could not reveal the new colour. Will it be imperial purple, the eau-de-nil of Labour's campaign backdrops, or avocado?

EU commissioner Neil Kinnock gave a speech at the European Movement's post-election bash on Tuesday. He has obviously been influenced by the old-fashioned continental view job sharing is the solution to unemployment. Mr Kinnock passed on apologies from his fellow UK commissioner Sir Leon Brittan for his inability to attend. "It's his turn to work this week," he said.

As one door opens another door closes. Lord Hollick has pressed the ejector seat at British Aerospace, where he has been a non-executive for the five years, in order to concentrate on his new role as part-time special adviser to Margaret Beckett, President of the Board of Trade. The announcement was accompanied by the usual exchange of gushing eulogies. We await with interest Lord Hollick's advice when BAE's first arms export licence application lands on the desk of La Beckett. Let's hope it's not a request to supply the Indonesians with more of those Hawk "trainer" jets.

## Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	16382	95.90	32.29	1000			
Canada	22639	75.60	31.73	13820	30.49	86.84	
Germany	27798	78.75	31.21	10888	16.12	1000	
France	92967	250.24	706.70	57380	19.14	330.38	
Italy	27555	20.16	40.36	10621	15.22	410.50	
Netherlands	18819	68.04	310.34	165.4	167.86	660.08	
EU	14386	26.25	88.93	11467	14.4	47.48	
Denmark	57381	18.13	50.44	35027	85.65	245.21	
Norway	10390	200.20	830.70	246.42	128.27	390.34	
Sweden	3272	88.82	271.25	10084	42.40	130.12	
Finland	10923	5.2	12.4	1330	8.3	15.10	
Japan	1154	330.00	990.00	163.83	453.02	1378.9	
South Africa	23534	21.1	69.91	14366	00.00	108.47	
Switzerland	22392	240.10	789.40	17883	106.81	326.27	
Spain	2381	68.04	310.34	165.4	167.86	660.08	
Australia	2475	80.3	30.20	13109	3.6	4.6	
Hong Kong	12385	90.39	194.37	27433	8.12	22.27	
Malaysia	4135	10.0	1.0	2310	21.26	62.68	
New Zealand	23724	2.5	2.4	14483	7.9	31.33	
Saudi Arabia	63445	0.0	0.0	13408	1.4	5.10	
Singapore	23422	0.0	0.0	14257	15.15	50.55	

## Other Spot Rates

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
Argentina	16285	0.9998	0.9998	054076	054080		
Brazil	16285	0.9998	0.9998	054076	054080		
Chile	16285	0.9998	0.9998	054076	054080		
Colombia	16285	0.9998	0.9998	054076	054080		
Costa Rica	16285	0.9998	0.9998	054076	054080		
Cuba	16285	0.9998	0.9998	054076	054080		
Dominican Rep	16285	0.9998	0.9998	054076	054080		
Ecuador	16285	0.9998	0.9998	054076	054080		
El Salvador	16285	0.9998	0.9998	054076	054080		
Guatemala	16285	0.9998	0.9998	054076	054080		
Honduras	16285	0.9998	0.9998	054076	054080		
India	16285	0.9998	0.9998	054076	054080		
Indonesia	16285	0.9998	0.9998	054076	054080		
Israel	16285	0.9998	0.9998	054076	054080		
Italy	16285	0.9998	0.9998	054076	054080		
Japan	16285	0.9998	0.9998	054076	054080		
Korea	16285	0.9998	0.9998	054076	054080		
Malaysia	16285	0.9998	0.9998	054076	054080		
Mexico	16285	0.9998	0.9998	054076	054080		
Nicaragua	16285	0.9998	0.9998	054076	054080		
Pakistan	16285	0.9998	0.9998	054076	054080		
Peru	16285	0.9998	0.9998	054076	054080		
Philippines	16285	0.9998	0.9998	054076	054080		
Poland	16285	0.9998	0.9998	054076	054080		
Portugal	16285	0.9998	0.9998	054076	054080		
Romania	16285	0.9998	0.9998	054076	054080		
Russia	16285	0.9998	0.9998	054076	054080		
Saudi Arabia	16285	0.9998	0.9998	054076	054080		
Singapore	16285	0.9998	0.9998	054076	054080		
South Africa	16285	0.9998	0.9998	054076	054080		
Spain	16285	0.9998	0.9998	054076	054080		
Sweden	16285	0.9998	0.9998	054076	054080		
Switzerland	16285	0.9998	0.9998	054076	054080		
Taiwan	16285	0.9998	0.9998	054076	054080		
Thailand	16285	0.9998	0.9998	054076	054080		
Turkey	16285	0.9998	0.9998	054076	054080		
USA	16285	0.9998	0.9998	054076	054080		

Forward rates quoted high to low are at a discount; subtract from spot rate. Rates quoted low to high are at a premium; add to spot rate. \*Daily rates quoted as reciprocals. For the latest foreign exchange rates call 0891 123 3033. Calls cost 50p per minute.

## Interest Rates

Country	Rate	Country	Rate	Country	Rate	Country	Rate
UK	6.25%	Germany	2.50%	France	6.75%	Japan	0.50%
Base	Discount	Base	Discount	Base	Discount	Base	Discount
1 month	3.5%	1 month	4.75%	1 month	3.00%	1 month	3.00%
3 months	3.5%	3 months	5.00%	3 months	3.00%	3 months	3.00%
6 months	3.5%	6 months	5.00%	6 months	3.00%	6 months	3.00%
1 year	3.5%	1 year	5.00%	1 year	3.00%	1 year	3.00%

## Bond Yields

Country	Yield	Country	Yield	Country	Yield	Country	Yield
UK	7.0%	Germany	2.5%	France	6.75%	Japan	0.5%
10 year	7.0%	10 year	2.5%	10 year	6.75%	10 year	0.5%
5 year	6.5%	5 year	2.0%	5 year	6.25%	5 year	0.5%
2 year	6.0%	2 year	1.5%	2 year	5.75%	2 year	0.5%
1 year	5.5%	1 year	1.0%	1 year	5.25%	1 year	0.5%

## Money Market Rates

Country	Rate	Country	Rate	Country	Rate	Country	Rate
UK	6.25%	Germany	2.50%	France	6.75%	Japan	0.50%
1 month	3.5%	1 month	4.75%	1 month	3.00%	1 month	3.00%
3 months	3.5%	3 months	5.00%	3 months	3.00%	3 months	3.00%
6 months	3.5%	6 months	5.00%	6 months	3.00%	6 months	3.00%
1 year	3.5%	1 year	5.00%	1 year	3.00%	1 year	3.00%

## Tourist Rates

Country	Rate	Country	Rate	Country	Rate	Country	Rate
UK	6.25%	Germany	2.50%	France	6.75%	Japan	0.50%
1 month	3.5%	1 month	4.75%	1 month	3.00%	1 month	3.00%
3 months	3.5%	3 months	5.00%	3 months	3.00%	3 months	3.00%
6 months	3.5%	6 months	5.00%	6 months	3.00%	6 months	3.00%
1 year	3.5%	1 year	5.00%	1 year	3.00%	1 year	3.00%

## Latest Unit Trust Prices

Unit Trust	Price	Unit Trust	Price	Unit Trust	Price	Unit Trust	Price
UK	6.25%	Germany	2.50%	France	6.75%	Japan	0.50%
1 month	3.5%	1 month	4.75%	1 month	3.00%	1 month	3.00%
3 months	3.5%	3 months	5.00%	3 months	3.00%	3 months	3.00%
6 months	3.5%	6 months	5.00%	6 months	3.00%	6 months	3.00%
1 year	3.5%	1 year	5.00%	1 year	3.00%	1 year	3.00%

## Life Financial Futures

Contract	Settlement	High/Low	Settlement	Open
Long	112.10	112.10	112.10	112.10
Short	112.10	112.10	112.10	112.10
Long	112.10	112.10	112.10	112.10
Short	112.10	112.10	112.10	112.10

## Life FTSE 100 Index Option

Contract	Settlement	High/Low	Settlement	Open
Long	112.10	112.10	112.10	112.10
Short	112.10	112.10	112.10	112.10
Long	112.10	112.10	112.10	112.10
Short	112.10	112.10	112.10	112.10

## Energy

Contract	Settlement	High/Low	Settlement	Open
Long	112.10	112.10	112.10	112.10
Short	112.10	112.10	112.10	112.10
Long	112.10	112.10	112.10	112.10
Short	112.10	112.10	112.10	112.10

## Commodity Indices

Trust Prices							
Stock	Sell	Buy	Yld	Stock	Sell	Buy	Yld
Accum Units	760.5	827.8	63.0	Accum Units	1511.0	1587.8	76.8
Amor Sml Cos	199.5	212.5	13.0	Defers	762.0	820.0	76.0
Amor Sml Cos	199.5	212.5	13.0	Defers	762.0	820.0	76.0
Automotive	228.0	245.0	17.0	Eq Income	824.0	875.0	55.0
Automotive	228.0	245.0	17.0	Eq Income	824.0	875.0	55.0
Comm Unit	106.5	116.0	9.5	Eq Income	824.0	875.0	55.0
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## A high-contrast, black and white portrait of a man wearing glasses and a suit, looking slightly to the side. The image is heavily stylized with a grainy, high-contrast aesthetic, typical of a photocopy or a heavily processed photograph. The man's face is the central focus, with his eyes looking towards the right. He is wearing a dark suit jacket over a light-colored shirt and a dark tie. The background is dark and indistinct.

Nick Castro, financial director of YTTV, said: "We've been advocating a situation where all broadcasters contribute on a fair basis towards

The ITC document is unlikely to make specific mention of Sky, although the competitive situation and the proliferation of alternative digital, cable and satellite channels will almost certainly be taken into account.

Turnover at Triad Group, the information and software consultancy, jumped 61 per cent to £18.8m, profits grew 25 per cent to £2.65m and earnings per share rose 2.2 per cent to 7.25p in the year to 31 March. There is a final dividend of 2p making 3p in the total, against nothing the previous year. The shares jumped 21.5p to 201p.

Company Results					
	Turnover	Pre-tax £	EPS	Dividend	
Admiral (I)	2950m (193m)	18m (1m)	15p (3.5p)	3p (2.4p)	
Anglian Water (F)	837m (776m)	200m (239m)	60p (78.1p)	34.5p (30p)	
Ashtedholia (F)	31.9m (23.1m)	1.47m (1.03m)	1.2p (1.3p)	1.0p (1.3p)	
Bristol United Press (F)	62.5m (£1.2m)	8.38m (£3.6m)	20.77p (16.51p)	15.25p (14.2p)	
Dunelm Inds (F)	297m (£13m)	12.5m (£3.4m)	5.4p (1.3p)	3.2p	
Eastern Road (F)	1.38m (£1.9m)	-0.50m (-1.22m)	-3.5p (2.4p)	-	
Kemick (F)	64.9m (£6.7m)	4.38m (£0.1m)	0.85p (0.55p)	0.25p (0.3p)	
Laminor (F)	9.4m (£3m)	3.68m (£2.3m)	17.7p (3.8p)	7p (7p)	
MS Holdings (I)	57.1m (£5.3m)	0.53m (£0.5m)	1.15p (1.22p)	0.3p (0.3p)	
PSB Industrial (F)	27.1m (£8.2m)	1.02m (£3.3m)	0.71p (2.27p)	0.45p (0.85p)	
Thorn (F)	1.58m (£1.5m)	703m (1.44m)	8.7p (18.9p)	23.3p (13p)	
Ted Group (F)	18.2m (£11.7m)	2.68m (£2.1m)	7.25p (7.08p)	2p (2p)	
Waterford Holdings (I)	5.75m (£2.4m)	0.06m (£0.0m)	1.91p (0.39p)	-	
Wyle & Donkey Bury (I)	138m (£18m)	18.8m (£8.2m)	11.8p (8.6p)	8.6p (5p)	

was unchanged on the previous year. However, a new management has been brought in and hopes to improve performance in the current year.

On group prospects, Derek Finlay, chairman, said he was increasingly confident of further progress provided the competitive position was not eroded by further strengthening of the pound.

[illegible]

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# The single life proves irresistible to Searle

One half of a famous Olympic double act has added another oar to his armoury as he sets out on a solitary pursuit of rowing gold. **Mike Rowbottom** met him

I may seem curious for a rower who has won Olympic gold and bronze medals to complain of blisters on his hands, but there it is. Greg Searle has got blisters on his hands, and it's his own fault.

Still only 25, the man who has had the kind of success of which most rowers can only dream in the coxed pairs and fours has now struck out on his own in the single sculls.

Traditionally, single sculls is rowing's equivalent of the goal-keeping position - you don't have to be mad, but it helps. Searle, one of the least mad individuals you could imagine, is well aware of the implicit expectation in swapping one oar for two.

As he prepares for his first major test in the new event, at this weekend's World Cup in Munich, he is coming to terms with a challenge unlike anything he has faced before.

The blisters have arrived as a result of manipulating two oars for the first time in a rowing career which began at Hampton School 10 years ago. That is but one of the problems of readjustment.

Physically, Searle - at 6ft 5in and 15 and a half stone - is perfectly ready to dominate his event. An indoor rowing ergometer score of 5min 44.1sec for 2,000 metres, until recently a world record, is further evidence of his capability.

Adapting all this power is the task which will provide Searle with the challenge he needs to keep him in the sport at the highest level.

"My whole body has become lopsided over after years in the other events," he said. "The technique of the rowing action is different - the oars are in the water for longer. So you need more powerful, long strokes,

whereas in the pairs and fours, it is more of a 'bang, bang' explosive stroke."

Searle likens his readjustment to that of a golfer learning a new swing. Like Nick Faldo, he has reinvented himself. It is, as he readily acknowledges, taking a big risk. And the riskiest, bravest part of it all goes beyond technical changes.

What Searle has done is to jettison the camaraderie integral to every other rowing event, something which has been of crucial importance to a man who has always thought of himself as one of the boys.

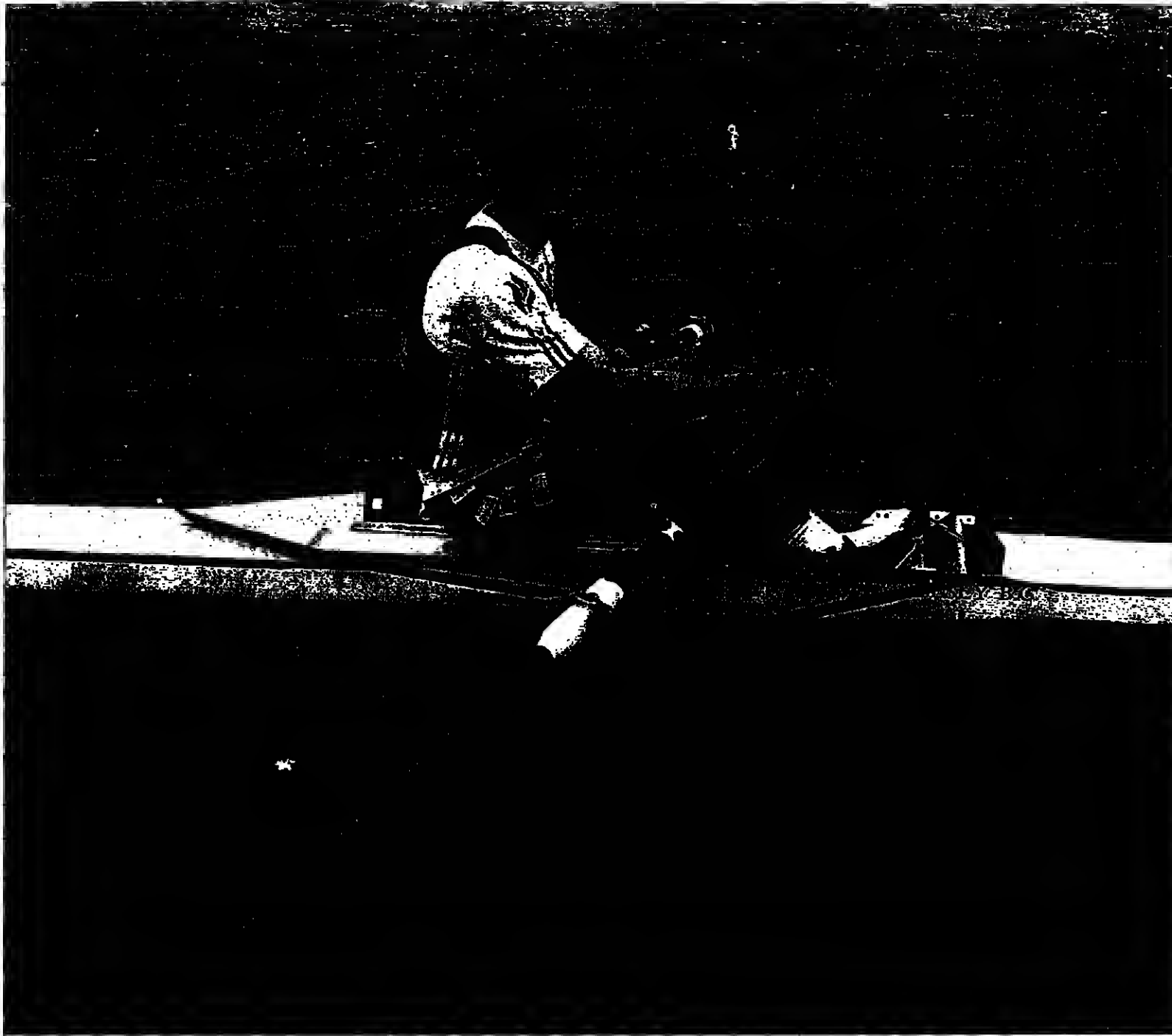
"The team thing is one of the most attractive things about rowing," he said. "You don't have any glory boys. I can't even think of any other sports where you do exactly the same thing. It is less interesting to watch on TV, but it does make your interdependence that much greater. You are part of a special relationship with other guys where you are all equal."

But now Searle, the rower who many observers have long thought is more equal than others, has taken himself away from all that.

There are no mates to josh with. Particularly, there is no Jonny, the older brother who urged him on in the sport during their time at Hampton School and with whom he won the Olympic coxed pairs in 1992 and a four bronze in Atlanta last summer. And yes, he is fully aware of the paradox.

"The solitariness is a worry," he said. "Not having Jonny in the boat with me takes some getting used to. He won't be there to chat with five minutes before the race and give me a little boost."

"I am wondering now whether I am doing enough in training because there is no one else with me."



Single-minded sculler: 'I'd rather be my own person in my own boat,' says Greg Searle

For all that, Searle the younger acknowledges the strong impulse which is behind his latest switch. It is, essentially, the desire to be judged on his own merits.

"You do find in the singles that people are trying to show they have got something that other people haven't got," he said. "To some extent I probably do have that feeling too. It is natural to want to be the best in the boat and, if that is the case, I might as well be the only one in the boat."

Single sculling is rowing stripped to the bone. Searle compares it with the 100 metres - hard work comes into it but, essentially, you can either do it or you can't. There is no hiding place for the single sculler. The event makes a complete examination of his will to win - which is the ultimate attraction for Greg Searle.

"It is something I have learned about over the years

rowing with my brother," he recalled. "Jonny would always sit behind me when we competed, and I got used to hearing his voice giving commands and knowing there was someone there who was as hungry as I was for success."

"When we have our backs to

out what the real deal is until you are actually in a situation like that."

"People might do their showing off on the water, or even off the water, but you get a pretty good idea about who is really able to do it."

That hardness was evidenced

**'It is natural to want to be the best in the boat and, if that is the case, I might as well be the only one in the boat'**

the wall, we are both the same. I would like to think I can be as hard as he is when it comes down to it."

"There is a mentality which is a winning mentality. It only really comes out in a big race, and by that I mean an Olympic or a world final. You don't find

by Searle's decision not to throw in his lot with the Fab Four - he decided against joining the double Olympic champions Steven Redgrave and Matthew Pinsent in their newly formed four, which will have its first outing in Munich this weekend.

"Some people questioned if

I was doing a sensible thing by not joining the others," he said. "I'm intrigued to see how the four will do. But I don't want to be one of the people in the boat. I'd rather be my own person in my own boat."

It may be coincidence, but Searle's willingness to miss that boat comes at a time when he is planning to marry his girlfriend, Jenny.

After the transitory intensity of the Atlanta Games, the life of a man once listed among Britain's 50 most eligible bachelors is being reordered. While his brother is concentrating on his career as a solicitor, he has taken up a new job with the management motivation company Lane 4, which numbers the former Olympic swimming champion Adrian Moorhouse among its directors.

Searle believes it will take two years for him to discover his true worth as a single sculler. The 2000 Sydney Olympics is the goal

- and yes, of course, he is thinking in terms of winning the gold. In the meantime, he is planning to create consternation among the 10 or so leading exponents of his new event. "I want to take a few scalps this year," he said.

The Searle brothers are part of Olympic history, not least for the picture of their medal ceremony in Barcelona, which featured Greg with his head cast back as if in exhaustion, Jonny heaving beneath corkscrew curls, and the cox, Gary Herbert, with a face contorted by tears.

In fact, what Searle was experiencing at that moment was not exhaustion, but elation.

"I had a feeling of incredible contentment, not a care in the world," he recalled. "I realised I had done something that could have been something I'd strived for for my whole life and never achieved."

It is a feeling he wants once again. On his own terms.

Photograph: Peter Jay

## Beefeater pull out of Boat Race

HUGH MATHESON

The Boat Race yesterday suffered a hangover when Beefeater Gin withdrew as sponsor after one of the most successful and enduring relationships between a poor event and a rich client in modern sport. Beefeater have put £1.4m into the Oxford and Cambridge clubs in the last three-year contract, which will expire after the 1998 race.

Duncan Clegg, the London representative of the clubs, said: "We are disappointed to lose them because it worked so well. Beefeater enhanced the race by generating a much wider appeal, especially abroad, and recreating some of the festival atmosphere of its first 100 years."

He is now looking for a successor, alongside others who expect to lose tobacco sponsorship under legislation proposed by the new Government. The deal with a new sponsor is expected to rank alongside the London Marathon, into which Flora puts £2.3m per year.

Tim Foster, the Oxford president, said: "Beefeater will take a lot of replacing. It will be a big space to fill. Everyone is still talking about what a good race it was this year and it should attract somebody new. Rowing seems to have a higher profile now, especially with gold medals in every Olympics since 1984, many of them won by Boat Race oarsmen."

The Boat Race remains independent of the £1.8m of Lottery funding which will come to rowing as part of the performance and excellence strategy toward the Sydney Olympics, but the team will certainly include several who have raced in light or dark blue.

### TODAY'S NUMBER

32

The number of pounds lost by golfer John Daly during his eight weeks of treatment for alcoholism at the Betty Ford Center, Daly, in Ohio for the Memorial Tournament, said, "I don't have a lot of expectations this week. I just want to get back into the rhythm."

## 'Out of form' McGrath is dropped by Yorkshire

Cricket  
ADAM SZRETER

Yorkshire have dropped their England batsman Anthony McGrath for the County Championship match against Essex starting today at Ilford.

Martyn Moxon, left out of the side, beaten by Northamptonshire in the Benson and Hedges Cup quarter-final, will open the innings, while Bradley Parker is

preferred to McGrath in the middle order. Captain David Byas said: "McGrath has been out of form and really needs to rebuild his confidence, so he will feature in the second team."

Warwickshire bring in the left-arm seamer Darren Altree for his first appearance of the season against Hampshire at Southampton. Altree replaces Allan Donald, who suffered an injury to his lower back in the Benson and Hedges Cup defeat by Kent.

Wicketkeeper Keith Piper is to see a specialist after a recurrence of an Achilles tendon injury at Canterbury and Tony Frost will make his third Championship appearance. John Stephenson, the Hampshire captain, and fast bowler Cardigan Connor are both doubtful.

Mark Ramprakash takes charge of Middlesex for the first time for the match with Northamptonshire at Lord's. England Under-19 batsman David Sales

stands by for the visitors as Mal Loye has a back problem.

Nigel Long and Dean Headley are both missing from the Kent side to face Nottinghamshire at Trent Bridge. Nottinghamshire, hoping to go top, will be without openers Tim Robinson and Paul Pollard, who are both injured.

Lancashire's captain Mike Watkinson faces a late fitness check before the game with champions Leicestershire at

Grace Road. Watkinson has missed most of the season because of a niggling arm strain, but Wasim Akram will be back after a shoulder problem. Leicestershire are set to recall off-spinner Adrian Pierson and veteran seamer Gordon Parsons.

The left-arm pace bowler Simon Brown returns for Durham's match with Glamorgan at Cardiff after recovering from the side strain he suffered against Essex two weeks ago.

In the Benson and Hedges Cup semi-finals, Kent will meet Northamptonshire at Canterbury on 10 June, a repeat of last season's quarter-final when Northamptonshire made home advantage pay and won by 23 runs. Northamptonshire went on to lose in the final to Lancashire, but Kent will be hoping to turn the tables and then go one better themselves after their exciting victory over Warwickshire in the last eight.

The all-rounder Matthew Fiening said: "It is nice to have the chance of revenge after last year, when we fell out or two things didn't go our way. People will probably make us favourites but that doesn't bother us. We were already feeling pretty confident as a team before what happened against Warwickshire, when we put up a tremendous effort."

Surrey will be the favourites to beat the county champions

Leicestershire in the other semi-final at The Oval, but the Leicestershire opening bowler David Millar, man of the match in the quarter-final win over Somerset, said: "We like to keep proving people wrong and keep knocking out the big sides. It gives us a real buzz to take on sides like Lancashire and Warwickshire and turn them over."

BENSON AND HEDGES CUP Semi-final draw: Kent v Northamptonshire; Surrey v Leicestershire; Middlesex to be played 30 June.

ALWAYS LOOKING FOR LOW FUEL PRICES?









# Lions almost sink without trace

A UEFA fund to provide compensation to small clubs who lose players on free transfers under the Bosman ruling was called "an interesting idea" by a director of one of the League sides that could benefit.

David Rhodes, the managing director of Wrexham, welcomed the plan drawn up by football's European governing body, but said the reaction from English football's authorities will be crucial. UEFA's idea, revealed yesterday, could appeal to smaller clubs throughout Europe, whose survival was threatened by the Bosman ruling on out-of-contract players in 1995.

"While we are interested in the idea, we would like to see what the Football League come up with, because they have been talking to everyone for a while," Rhodes said. "Obviously there is something that needs to be done to help the smaller clubs, and we will keep an eye on it."

A UEFA executive committee member said the plan was for up to £70,000 to be paid, from a pool established from television revenue, to a small club that loses out as a result of free transfers.

DETAILS ON PUMPS AT PARTICIPATING SERVICE STATION





**Lions border on disaster**  
Wainwright saves the day as tourists are a washout in South Africa, page 31

# sport

**Lessons from Langer**  
Richard Edmondson plays in the sand with a golfing superstar, page 30

## Muster's win descends into farce

### Tennis

JOHN ROBERTS  
reports from Roland Garros

Grace and elegance have their place on Court Suzanne Lenglen as the French championships mark a centenary of women's tennis, but not to the exclusion of a bit of blood and thunder and a touch of musical farce.

Yesterday's programme closed with the dainty offering of Thomas Muster versus Jeff Tarango, which concluded with Muster, the victor, refusing to shake his opponent's hand.

It should be emphasised that Bruno Rebeuh, the French umpire who was the subject of Tarango's fire when the American was disqualified at Wimbledon in 1995, was otherwise engaged.

Britain's Mike Morrissey was in the hot seat on Court Lenglen, where Muster concentrated chiefly on improving his form in order to sustain a muscular challenge for the title he won here two years ago, and Tarango presented his customary mixture of affronted dignity and whimsy.

One minute the American was berating the umpire about

line calls, the next he was imitating Muster's iron-man walk with a panache that would have done credit to John Cleese.

Morrissey intervened when Tarango imitated Muster's grunting during the course of a point, and ordered a let to be played. Tarango argued and Muster eventually called for the Grand Slam supervisor, Bill Gilmore. "I asked Bill to make sure the match continued fluidly, without having to stop and go for five minutes," Muster said afterwards.

Morrissey continued to be in and out of his chair, checking marks on the clay to settle disputed line calls, and at one stage Tarango doffed his cap and executed an elaborate bow as the umpire made his way back across the court to his seat.

Muster, for the most part, managed to control his temper, but towards the end of the third set he delivered a smash towards Tarango's body, the hall zooming between the American's legs. Asked if he was trying to hit Tarango, Muster said: "If he would have been in my way, yes."

Early in the fourth set, Tarango served underarm on one point. He won that one, but lost the game and the match drifted away from him, Muster winning 7-5, 1-6, 6-2, 6-1.

Asked why he refused to shake hands, Muster said: "I don't think what we saw today was very professional. You can't say whatever you want to say and then after the match shake hands."

"We know the history of Jeff. He's not an easy guy. There's no excuse for certain behaviour on the court. I know that I'm not always that great when I'm on the court. I'm fighting, I'm giving everything out there. I'm looking at balls and ball marks. But that's all within the rules, and there's no problem with it."

Muster added that Tarango's first-round opponent, Marcelo Filippini, had also refused to shake hands, but Tarango insisted that the reverse was the case.

"I think probably his [Muster's] ego was just a little bruised," Tarango said. "He has such a big ego that if you take a little of his limelight, he just doesn't like it. I think that's what it boils down to."

Asked why he behaved the way he did, Tarango said: "I wanted to win the first set. That was the main thing on my mind. I didn't think I could beat him physically. He apparently trains a lot harder than I do."

"You could see that the crowd expected me to do something bad and wrong. Eventually, I felt they just saw I was trying my hardest, and I was going to have fun."

The only thing I had a problem with was when Thomas was grunting, when I was hitting the ball. I think there's not any room for that. He's doing his little gamesmanship out there. It's a mind game as well as a physical game. I guess he wants all the rules to go in his favour. That's not the way it is out there."

"You know, at some point it's just like an echo in my head, his grunting. It's just too much. I grunt once and we have to play a let. Well, I'm sorry. I mean, I just thought that was comedy. That's just ridiculous."

Wimbledon, here he comes. Results, page 30



Eye on the ball: Alex Corretja, of Spain, serves on his way to victory over Jens Knippschild yesterday

Photograph: AP

## Knives out for troubled Taylor

Guy Hodgson sees Gloucestershire add to the Australian captain's problems

You did not have to search long for an incident to epitomise the problem confronting the Australian cricket team. On Tuesday, prior to the start of their three-day game against Gloucestershire at Bristol, Geoff Marsh, their coach, began erecting a video camera to monitor Mark Taylor's batting. He need not have bothered.

Before Marsh had finished putting the equipment together, before he could begin to think about filming, the Australian captain was dragging his careworn body back to the pavilion. M. A. Taylor, caught Russell, bowled Smith O. He had lasted just four balls.

The *Sydney Daily Telegraph's* headline yesterday was "Dead Duck", which succinctly summed up the mood back home. "The problem is," one Australian journalist said in Bristol yesterday, "we are playing one man short."

Ian Chappell, the former Australian captain who is never afraid to express an opinion, appears to concur. "I have not seen anything in Mark Taylor's batting to say he's coming out of a slump," he wrote in the above newspaper. "Australia have two openers in form and I don't think they have enough time to mess around with him any more. I have to ask the question: is it a prolonged slump or has he gone?"

Taylor, his footwork uncertain, is grasping for every run at the moment. He has not scored a half-century in his last 20 Tests or in his last 12 one-day internationals. Worse, the ping-pong that has been played between Australia and Britain this week over who selects the Test side has given rise to the suggestion that the consensus is the captain should go. It is just that no one wants to be the one to tell him.

Alan Crompton, the Australian manager, yesterday said team selection rested solely on the three appointed tour selectors: Marsh, the vice-captain Steve Waugh and Taylor. The first two, long-standing friends, are unlikely to force the captain's hand. Any decision will probably come from the man himself.

"I feel for Mark," Waugh said. "He's been having a bad time but I believe it's too soon to make judgements. Too many people are assessing his form over what's gone on in the past 12 months or so, but this is a new tour and so far he's had only one first-class knock. If he makes runs in the next innings, then there shouldn't be a problem."

As Waugh says: "It's not only Mark Taylor who's not doing great." Several tourists have found difficulty adjusting to soft wickets where the ball seams. But when the captain fails, you notice.

The Australians need a win and it is going to take a remarkable performance to wrest one out of the current match. On a pudding of a pitch that is getting slower by the hour, it was the Australian bowlers rather than Taylor who toiled yesterday as Gloucestershire turned an overnight 55 for 1 into 350 all out and a first-innings lead of 101.

Nick Trainor was the principal beneficiary, plundering the visitors' attack for 121 off 246 balls in a maiden century that included 17 fours, but Robert Croft also helped himself to 61 which rather summed up the way things are going for the tourists at the moment. Both batsmen bagged pairs against Essex in their last Championship match.

Trainor, discarded by Durham, and who introduced himself to Gloucestershire by asking for a trial, was out in the 83rd over, getting a top edge to an attempted hook off Glenn McGrath that Mike Kasprout took with a diving catch at fine leg. With his departure the innings fizzled out, leaving the Australians to negotiate 23 tricky overs without undue alarm, reaching 43 for 0. Taylor, to huge Australian relief, was 19 not out.

## Cool hand Pete

Pete Sampras is the king of cool at this year's French Open. The world No 1, aiming to win the only grand slam title to elude him, has attracted attention by keeping his rackets in the ice box.

"If I keep them out in the heat, the strings lose their tension," he said after crushing Francisco Claver of Spain in straight sets yesterday to reach the third round. "That's why I put them in the refrigerator."

His rackets might not like hot weather, but the man certainly does as the sun makes the clay

courts fast, allowing him to play his trademark attacking game.

"I don't mind what kind of surface I'm playing on," said Sampras, who has won grand slams on anything but clay. "I know what my capabilities are and I know that if I play well I'll be hard to beat."

Sampras could become the first man to win all four grand slams since Australia's Rod Laver, the player he admires most. His best result in Paris came last year when he lost in the semi-finals to the eventual winner, Russia's Yevgeny Kafelnikov.

Results, page 30

## Golden Four abandon blood tests

### Athletics

Abandoning blood testing at the elite Golden Four athletics meetings would appear to be the latest sign that officials are retreating in the war on drugs.

The meetings in Oslo, Zurich, Brussels and Berlin, leading events on the grand prix circuit, introduced blood testing amid much fanfare when they were launched in 1993.

Now blood tests, widely regarded as a significant advance in the battle against cheats, have quietly been dropped.

"We stopped the blood tests because there didn't seem any point in continuing," Wilfried Meert, director of the two van

Damme meeting in Brussels, said yesterday.

"We expected the international federation to introduce a new rule that allowed blood testing, that our tests would be a first step. But that never happened and the International Amateur Athletic Federation's own experts kept telling us that urine samples give just as good results."

"There were also difficult legal aspects. We never received the results of the tests - there was no reason why we should - but in the end it was very expensive and we agreed that it is the sort of initiative that ought to come out of the international federations, not from individual meeting organisers."

Results from analysing 99 samples taken over the first two seasons were only recently released. The findings indicated that three of 36 women athletes tested had testosterone levels above the normal range, including one which was three times above the accepted level.

The presence of extra testosterone, the male sex hormone, could lead to a four-year suspension if detected under the IAAF's standard urine analysis. However, no disciplinary action could be taken because the IAAF's rules have never allowed for blood testing.

Since the Golden Four are contested by some of the world's top athletes, the three positive tests may have includ-

ed world record holders or Olympic champions.

But when the sport's governing body appears to back down from taking action against drug cheats, it may be expecting too much of meeting promoters to take a stand.

Last year the International Olympic Committee admitted it had thrown out five positive steroid tests discovered during the Atlanta Games. The five ignored tests followed the investment of \$3m (£2m) in much-vaunted new machinery, which proved far less reliable than had been hoped.

Only two athletes, both non-medallists, were sanctioned at the Centenary Games after nearly 2,000 tests.

## Ayers frustrated by second postponement

### Boxing

Michael Ayers' world title frustration continued yesterday when his World Boxing Organisation lightweight fight against Russia's Artur Grigorian in Stuttgart on Saturday was called off.

The postponement also means no fight for the undefeated former British super-middleweight champion Joe Calzaghe, who was due to meet the Brazilian Luciano Torres on the same promotion.

Calzaghe's fellow countryman Robbie Regan, the WBO bantamweight champion, had already withdrawn from the card.

The fight has been called off again because Grigorian has a shoulder injury, although Ayers has been waiting more than a year for his second shot at the WBO crown. A previous date this year was scrapped when Grigorian first sustained shoulder trouble.

Ayers' first attempt at the title ended in a wide points defeat by Italy's Giovanni Parisi in Rome in April 1993.

Ayers said: "I just don't know what to say other than that I'm gutted. I was due to fly out tomorrow morning. It's unbelievable for it to happen at this stage. I'm No 1 contender and must fight for the title at some stage. Nobody can stop me from doing that."

"But the main point is there will be no fight on Saturday, which means all my really hard training has gone to waste. I was just down to making the weight, that's all there was to do. The graft and sparring had all been done. I don't know what will happen now. I am hoping to hear more within the next few days."

Herbie Hide insists money is not the motivation behind his campaign to win back the WBO heavyweight championship.

Hide took home £2.6m for losing the same title to Riddick Bowe just over two years ago, and he has told his trainer, Jim McDonnell, that he would fight America's Tony Tucker at the Norwich Sports Village on 28 June for a zero purse.

"I want this fight so much that I would fight Tucker for nothing," Hide said. "I don't spend a lot of money on myself. I put it into my house, my needs are not great. The interest I earn on my investments in a month, I would not even spend in a year."

"But you don't know what's coming up in the future. I may get married and have kids, but at the moment I don't have to support a wife and family. I say that the only time in life when a person is financially secure is when they are dead."

Hide has invested £20,000 of his fortune in importing three sparring partners from America - Linwood Jones, Kim Odum, and Ross Puritty - to help him prepare for the fight.

**THE INDEPENDENT CROSSWORD**  
No. 3311, Thursday 29 May By Mass Wednesday's solution

1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32

**ACROSS**  
1 Quail, the bird circling lake (6)  
4 Odd stale cob, something added to hamper (8)  
10 Note laid beset by the German dog (3,6)  
11 Cut flow feeding drill (5)  
12 Black cat, last of litter in delivery (7)  
13 Bill's in hat that might be felt (7)  
14 Connect two metals (3,2)  
15 Like some champagne? (3-5)  
18 Gold tint in a gulf, quite a scene (8)  
20 Clipped decorous object (5)  
23 Bursting and about to crease audibly (7)

**DOWN**  
25 Councillor had capped everything (7)  
26 Blighted roots and trunk (5)  
27 Bird stuffed with ground mace - then dessert (5,4)  
28 Lag? Lead shows disdain (8)  
29 Coin in the slot (6)  
1 Return volley in a hot spot? (8)  
2 Elected on day - or otherwise, we hear? Uncertain (2,5)  
3 Rise of sound philosophy, about second century (9)  
5 There shouldn't be any difference if you do this (4,3,7)

**WEDNESDAY'S SOLUTION**  
STIONPOST ATTACK  
P O I A O U V E  
RELATIVE DENSITY  
U D P V D E L  
C L E A R L Y B U F F A L O  
E N O A U R  
T R O P I C A L L I P I D  
B O O E U S  
E L D E R M I S P R I N T  
A E  
R E R A I N D E P L E T E  
S L D C E P N S  
K N O W T H I N G O R T W I  
I O P E T H R L R  
N U D I T Y A M E T H Y S T

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